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## **General Fund Maintenance of Effort Adjustment**

### **DESCRIPTION:**

Under the Temporary Assistance for Needy Families (TANF) Program, the states are required to meet maintenance of effort (MOE) funding levels. For Fiscal Year (FY) 1999-00, California's MOE level is approximately \$2.9 billion, which is equal to 80 percent of California's Federal Fiscal Year (FFY) 1994 expenditures. For FY 2000-01, an adjustment has been added, which reflects the fact that California met the federal work participation rate for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program in FFY 1998. When the State meets this rate, the MOE level falls from 80 percent to 75 percent. Therefore, with the \$182 billion adjustment, the MOE level falls to \$2.7 billion. The State General Fund (GF) MOE Adjustment line displays the State expenditures necessary to meet the State's MOE level.

After the MOE adjustment is applied, any remaining excess TANF block grant funds can either be carried forward to the next state fiscal year (SFY) or transferred to the Child Care and Development block grant or Title XX.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1996.

### **METHODOLOGY**

To determine the GF MOE adjustment, projected state and county expenditures countable toward the MOE are compared to the State's MOE level. This determines the amount of expenditures necessary to meet the State's MOE level.

The specific methodology used to determine the GF MOE adjustment involves identifying those projected California Department of Social Services (CDSS) local assistance expenditures that are TANF eligible and calculating their costs by total, federal, state, county, and reimbursement funds. Projected federal TANF expenditures for CDSS State support are then added to the federal funds amount. Other state department or county expenditures for TANF eligibles, which meet the MOE requirements, are also added to the CDSS state and county TANF costs. This total is then compared to the State's MOE level. The amount of projected expenditures above or below the MOE level is shifted to or from federal TANF funds. The GF MOE adjustment does not change the total funding available.

Both the current year and Governor's Budget projections include projected GF expenditures within other State departments that are assumed countable toward fulfilling the TANF MOE requirement. Separate premise descriptions for each of these items are provided in the "Estimate Methodologies" section of this binder.

### **FUNDING:**

The GF MOE Adjustment transfers costs to meet the State's MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds. There is no change in the total funds available.

## General Fund Maintenance of Effort Adjustment

### CHANGE FROM PRIOR SUBVENTION:

Countable MOE expenditures within CDSS have been updated to reflect several new premises, as well as adjustments for premises in which only a portion of the total expenditures is countable. In addition, countable expenditures within other state departments have been updated to reflect changes in their proposed budget levels or the portion of total cost countable toward the TANF MOE. For specific explanations of these changes, please refer to the specific premise descriptions for each of these items.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the reduced amount of MOE required for California meeting the federal work participation rate in FFY 1998.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$0
Federal	-1,457,136	-1,260,489
State	1,457,136	1,260,489
County	0	0
Reimbursements	0	0

## Two-Parent Program

### DESCRIPTION:

This premise reflects the funding shift from Temporary Assistance for Needy Families (TANF) to State General Fund (GF) for the two-parent families program. The two-parent program is a separate funded state program for two-parent families in the California Work Opportunity and Responsibility to Kids (CalWORKs) program. With the implementation of this program, federal TANF funds will no longer be used to provide CalWORKs cash assistance or welfare-to-work services, including child care and work support services, to two-parent assistance units (AUs) who meet the definition of a two-parent family. A two-parent family is defined as an AU that includes two aided nondisabled, natural or adoptive parents of the same aided or Supplemental Security Income/State Supplementary Payment minor child (living in the home), unless both parents are aided minors and neither is the head-of-household. The eligibility and work participation requirements for two-parent families will remain unchanged from the CalWORKs program.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.
- Within the existing CalWORKs program areas of grants, services, administration and child care, a portion of the cost or savings for each premise item impacted by the two-parent program will be charged to the State-Only Two-Parent Program. A separate auxiliary table reflects the individual premise items impacted by the two-parent program.
- In the current year, the ratio of two-parent families is .0818, and .1011 in the budget year. These ratios were arrived at using Medi-Cal Eligibility Data System (MEDS) data.
- All the ratios developed for the CY reflect a nine-month ratio since implementation of this program is October 1, 1999.
- CalWORKs grants have a 2.5 percent county share.
- Other state-only programs are Recent Noncitizen Entrants, Substance Abuse Services, Mental Health Services and State-Only Child Care for Two-Parent Families.

### METHODOLOGY:

For each premise item impacted by the two-parent program, the total was multiplied by the appropriate ratio for two-parent families. For other state-only programs, the total was multiplied by the ratio for the two-parent families. All of the grant premises were reduced by the county 2.5 percent share. The two-parent families share from all of the premises were added together to determine the total.

### FUNDING:

The grant costs are shared 97.5 percent GF and 2.5 percent county. The services costs, administrative costs child care costs and Welfare-to-Work match costs are 100 percent GF.

## Two-Parent Program

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full-year cost of the two-parent program.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	66,164	58,651

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$287,958	\$344,907
Federal	0	0
State	280,759	336,284
County	7,199	8,623
Reimbursements	0	0

	1999-00	2000-01
	Services	Services
Total	\$64,867	\$69,681
Federal	0	0
State	64,867	69,681
County	0	0
Reimbursements	0	0

## Two-Parent Program

### EXPENDITURES (continued):

(in 000's)

	1999-00	2000-01
	Administration	Administration
Total	\$54,725	\$62,213
Federal	0	0
State	54,725	62,213
County	0	0
Reimbursements	0	0

	1999-00	2000-01
	Child Care	Child Care
Total	\$99,296	\$33,302
Federal	0	0
State	99,296	33,302
County	0	0
Reimbursements	0	0

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## CalWORKs – Basic Grants

### DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. These costs do not include the impact of current premises.

Basic costs have been adjusted to reflect the annual cost-of-living adjustment (COLA) for Social Security (OASDI) benefits. The OASDI COLA increases the benefit level, reducing grant costs. The basic costs have also been adjusted for the impact of specific premises which are in the trend caseload but are also shown as separate premises. This adjustment is necessary so as not to count the impact twice.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- The first six months of Calendar Year (CY) 1999 were used as the base period to project caseload, aided persons and the adjusted cost per person.
- For Fiscal Year (FY) 1999-00, a total of 16,230,173 family group (FG) personmonths and 5,043,746 unemployed (U) parent personmonths are anticipated. For FY 2000-01, 15,506,404 FG person-months and 4,820,424 U personmonths are projected.
- Actual data on costs, cases and persons from the base period were adjusted for current premises, which in effect are already included in the base period. These premises include: Tribal TANF, Nationwide Prisoner Match, Cal Learn Bonuses/Sanctions, Diversion, Exits Due To Employment, Grant Reductions Due To Earnings, Recent Noncitizens, Maximum Family Grant, Grant Reductions Due To Sanctions and Regional Collaborative. This results in an adjusted FG cost per person of \$189.14 and a U cost per person of \$139.13.
- Unadjusted FG and U basic costs are adjusted for OASDI.
- The OASDI COLA adjustment is based on the most recent Consumer Price Indexes for January 1, 2000, and January 1, 2001. This results in FY 1999-00 reductions of \$1,581,640 for FG families and \$22,133 for U families. For FY 2000-01, reductions of \$1,549,319 for FG families and \$21,680 for U families are projected.

### METHODOLOGY:

- Basic personmonths are multiplied by the adjusted cost per person to produce unadjusted FG and U basic costs.
- FG and U unadjusted basic costs are reduced for the OASDI COLA.



## CalWORKs – Basic Grants

### DATA COMPARISON CHART:

#### FY 1999-00

	<u>FG</u>	<u>U</u>
Projected Personmonths	16,230,173	5,043,746
Projected Casemonths	6,042,033	1,235,355
Persons Per Case	2.69	4.08

#### FY 2000-01

	<u>FG</u>	<u>U</u>
Projected Personmonths	15,506,404	4,820,424
Projected Casemonths	5,779,849	1,181,749
Persons Per Case	2.68	4.08

	<u>FG</u> Cost per Person	<u>U</u> Cost per Person
CY 1999 Actual	\$182.87	\$133.70
CY 1999 Adjusted	\$189.14	\$139.13
FY 1999-00 Basic	\$189.04	\$139.13
FY 2000-01 Basic	\$189.04	\$139.13

### FUNDING:

The state share reflects the cost of the State-Only Two-Parent Program which implemented October 1, 1999. In FY 1999-00, the funding is 89.32 percent TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### CHANGE FROM PRIOR SUBVENTION:

The basic caseload, cost per person, persons per case, and COLA percentages have been updated using the most current available data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The projected caseload continues to decline in FY 2000-01.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	606,449	580,133
Average Monthly Persons	1,772,827	1,693,902

### EXPENDITURES:

(in 000's)

	1999-00 Grant	2000-01 Grant
Total	\$3,768,898	\$3,601,965
Federal	3,366,267	3,147,757
State	308,409	364,159
County	94,222	90,049
Reimbursements	0	0

## **Tribal TANF**

### **DESCRIPTION:**

This premise reflects the cost for the Santa Ynez Tribe of Santa Barbara County and 17 tribal organizations located in San Diego County to operate a tribal Temporary Assistance for Needy Families (TANF) program. Assembly Bill 1542 (Chapter 270, Statutes of 1997) allows tribes to administer a Tribal TANF program. The Department has established a memorandum of understanding with the tribes in order to formalize the arrangement.

The administrative authority to operate a TANF program is transferred to the tribe, together with the federal and state portion of the funds attributable to the tribal caseload.

Federal welfare reform legislation allows for such a transfer and provides that the TANF funding for the tribe is paid directly to the tribe by the federal government. Since TANF funding to the states is based on Federal Fiscal Year (FFY) 1994 actual expenditures, amounts to be transferred to tribal organizations are computed using this period. Transferred funds include monies to meet grant costs and administrative costs related to cash aid and Welfare To Work (WTW) services.

### **IMPLEMENTATION DATE:**

- This premise became effective March 1, 1998.
- The implementation date for nine additional tribes from San Diego County was May 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10553.2(d).
- The average monthly cash aid cost per person is \$211.34. This is the average cash aid expenditure amount per person for FFY 1994.
- The average cash aid cases per month are 65 for the Santa Ynez Tribe and 802 for the 17 San Diego tribes. This information was supplied by the tribes.
- The average number of persons per cash aid case is 2.9439. These are the average persons per cash aid case from the November 1997 Subvention.
- The average monthly number of persons to be served through WTW activities is 45 for the Santa Ynez Tribe and is 79 for the 17 San Diego tribes. This information was supplied by the tribes.
- The average monthly administrative cost per case is \$50.73.

### **METHODOLOGY:**

- The average monthly administrative cost per case was derived by dividing the total cash aid administrative expenditures for FFY 1994 (less foster care) by the caseload.
- The average WTW services cost was derived by dividing the Greater Avenues for Independence (GAIN) Program expenditures for FFY 1994 (less child care) by the number of active GAIN participants.
- For grant costs, the average number of persons per case was multiplied by the number of cases to determine total persons ( $867 \times 2.9439 = 2,552$ ). The number of persons was multiplied by the cash aid cost per person to determine monthly costs ( $2,552 \times \$211.34 \times 12 = \$6,472,989$ ).

## Tribal TANF

### METHODOLOGY (continued):

- For administrative costs, the number of average cash aid cases per month was multiplied by the amount of monthly administrative cost per case to determine monthly costs ( $867 \times \$50.73 \times 12 = \$527,795$ ).
- For WTW services costs, the number of average persons served per month was multiplied by the monthly services cost per person to determine monthly cost ( $124 \times \$206.36 \times 12 = \$307,064$ ).

### FUNDING:

These costs are TANF eligible.

There is no federal share because TANF funds will be distributed directly to the tribal organizations by the federal government.

The State General Fund (GF) share is 47.5 percent.

The GF amount will be counted toward the State's maintenance of effort (MOE) requirement.

The direct distribution of TANF funds to the tribal organizations reduces both the TANF block grant available to the State and the State's MOE requirement. The State's MOE has been reduced in the same proportion as the reduction in the block grant.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### CASELOAD:

	1999-00	2000-01
Average Monthly Cash Aid Caseload	867	867
Average Monthly WTW Caseload	124	124

## Tribal TANF

### EXPENDITURES:

(in 000's)

	1999-00			2000-01		
	Grant	County Admin.	WTW Services	Grant	County Admin.	WTW Services
Total	\$3,075	\$251	\$146	\$3,075	\$251	\$146
Federal <sup>1</sup>	0	0	0	0	0	0
State	3,075	251	146	3,075	251	146
County	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0

<sup>1</sup>. The federal share of the above costs was deducted from the TANF block grant to show the transfer of funds to the tribal organizations, a total of \$3.654 million in FYs 1999-00 and 2000-01. This amount is not shown in the table except as a reduction in the amount of the total TANF block grant available to the State. The amounts were deducted from the basic cost amounts for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program cash aid and CalWORKs WTW services.

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## Maximum Aid Payment – COLA

### DESCRIPTION:

This premise reflects the cost of adding a cost-of-living adjustment (COLA) to the maximum aid payment (MAP). The annual COLA is authorized under section 11450 of the Welfare and Institutions Code (W&IC).

The COLA is calculated by the Department of Finance based on the changes in the California Necessities Index, which is the weighted average changes for food, clothing, fuel, utilities, rent and transportation for low-income consumers. In accordance with W&IC section 11453, beginning with Fiscal Year (FY) 2000-01 through FY 2003-04, the effective date of each COLA will be October 1 of each year.

### IMPLEMENTATION DATE:

This premise implemented on November 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 11450.
- A 2.36 percent COLA became effective July 1, 1999.
- A 3.61 percent COLA is projected for October 1, 2000.
- The January through September 1998 Q5 Survey data was used to determine the average family group (FG) and unemployed (U) parent grants for the assistance units.
- For (FY) 1999-00, the average increase in the FG grant after the July 1999 COLA is \$13.58; the average increase in the U grant is \$16.94.
- For FY 2000-01, the average increase in the FG grant after the July 2000 COLA is \$21.35; the average increase in the U grant is \$26.20.
- The California Work Opportunity and Responsibility to Kids Program monthly basic caseload (described in a separate premise) is used in the calculations.

### METHODOLOGY:

- For FY 1999-00, beginning with July 1999, the average increases in the FG and U grants are multiplied by the monthly basic caseloads for FG and U respectively to determine the monthly costs of the COLA. The monthly costs are totaled for both FG and U to determine the annual cost of the COLA.
- For FY 2000-01, beginning with October 2000, the average increases in the FG and U grants for the July 1999 COLA and the October 2000 COLA are multiplied by the monthly basic caseloads for FG and U respectively to determine the monthly costs of the COLA. The monthly FG and U costs for both COLAs are totaled to determine the annual cost of the COLA.

## Maximum Aid Payment – COLA

### FUNDING:

The state share reflects the cost of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00 the funding is 89.32 percent TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01 the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### CHANGE FROM PRIOR SUBVENTION:

The estimate was updated with the November 1999 basic caseload projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The current year reflects a 2.36 percent COLA beginning July 2000. The budget year reflects a projected 3.61 percent COLA beginning October 2000.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	606,449	580,133

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$102,978	\$213,561
Federal	91,977	186,631
State	8,427	21,591
County	2,574	5,339
Reimbursements	0	0

## Statewide Fingerprint Imaging System (SFIS)

### DESCRIPTION:

This premise reflects the grant savings and administrative costs associated with denying aid and deterring welfare fraud through a statewide fingerprint imaging system (SFIS). Senate Bill 1780 (Chapter 206, Statutes of 1996) requires applicants for, and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance Food Stamp (NAFS) Program benefits, to be fingerprint imaged as a condition of eligibility.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of a child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult; and (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the Health and Human Services Agency Data Center (HHSDC), formerly the Health and Welfare Data Center (HWDC). Through an interagency agreement with CDSS, the HHSDC assumed responsibility for administering the SFIS project. The HHSDC prepared and released a request for proposal (RFP) to implement, maintain, and operate SFIS. State and federal approval were granted and a notice of intent to award the contract was issued in December 1997. An award protest was filed, and litigation surrounding the Minority and Women Business Enterprise provisions ensued. As a result of the Monterey Mechanical v. Wilson appellate court decision, the Department was required to cancel the procurement and release a new RFP (HWDC-8001) to re-bid the SFIS procurement.

On June 1, 1998, the new RFP HWDC-8001, which included CDSS requirements, proposal evaluation criteria, and model contract without the minority and women business enterprise requirements, was released. Draft proposals were received from three bidders only and final proposals were only received from two bidders. Both bidders who submitted final proposals were found compliant in their administrative and technical proposals and successfully performed demonstrations of their proposed system. Costs were then opened and evaluated to determine best value bidder. This bidder was then selected for contract negotiations.

The State entered into contract negotiations for a leased SFIS with the EDS/Printrak on October 21, 1998. Contract negotiations were successfully concluded on October 30, 1998, and the contract with Electronic Data Systems was signed September 8, 1999.

### IMPLEMENTATION DATE:

Phase 1 implementation: March 2000.

Phase 2 implementation: April 2000.

Phase 3 implementation: June 2000.



## Statewide Fingerprint Imaging System (SFIS)

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- Project implementation will occur in three phases over a five-month period. Phase 1 represents 10 percent of the counties and will roll out in March 2000. Phase 2 represents 30 percent of the counties and will roll out in April 2000. Phase 3 represents 60 percent of the counties and will roll out in June 2000. This rollout schedule is based on the actual contract award date of September 8, 1999.
- Family group (FG), unemployed (U) parent, and NAFS caseloads have been developed for both existing recipients and new applicants corresponding to the point in time that each of the phases roll out.
- All existing CalWORKs recipients subject to the fingerprint requirement will be scheduled for an appointment within six months of project implementation in the county. All existing NAFS recipients subject to the fingerprint requirement will be scheduled for an appointment within 12 months of project implementation in the county.
- The estimate assumes that the number of existing CalWORKs and NAFS recipients who are terminated due to the fingerprint requirement will be evenly distributed over the six and 12 months of the implementation periods, respectively.
- The estimate applies the monthly recidivism rate developed from Los Angeles County's Automated Fingerprint Image Reporting and Match (AFIRM) experience that tracked 914 single families from August 1994 to September 1996 to determine the number of cases who returned to aid after refusing to be fingerprinted. The continuing caseload recidivism rate leveled off at 65.5 percent.
- The average monthly grant savings represent the average grant amounts computed for FG (\$512.88) and U (\$590.77) cases in Fiscal Year (FY) 1999-00. In FY 2000-01, the average grant amounts increase to \$532.16 for FG and \$614.70 for U cases, as a result of a cost-of-living adjustment that will be made to the Maximum Aid Payment in July 2000.
- The county administrative costs for the project include the costs for fingerprint clerks, eligibility workers, system administrators, and project security. The HHSDC administrative costs include the costs for contract award activities and to begin implementation of the statewide system.
- The average monthly administrative savings represent the open cost per case for CalWORKs (\$45.62 in FY 1999-00 and \$45.87 in FY 2000-01) and NAFS (\$27.97 in FY 1999-00 and \$26.04 in FY 2000-01).
- Additional savings will be generated from penalties imposed as part of the investigation and subsequent prosecution of multiple aid fraud in two or more county welfare departments or states. The Fraud Bureau estimates the length of time to investigate and prosecute a case at 18-22 months. As such, any additional savings will not be realized from penalties imposed until the out years.
- The HHSDC cost estimates reflected in this premise are based on the new negotiated contract with the SFIS development contractor that was a result of the second procurement effort, RFP HWDC-8001. Cost estimates are based on the following:
  - ◆ Development and implementation vendor – The development and implementation vendor contract estimate is based on a structured monthly lease and maintenance cost for state and county-operated workstations and a “per transaction” cost. The “per transaction” cost includes: vendor project staff; help desk when the system is operational; fingerprint examiners; system operators; lease/maintenance costs for host computer(s) (i.e., central site); software development and maintenance; and user training classes.

## Statewide Fingerprint Imaging System (SFIS)

### KEY DATA/ASSUMPTIONS (continued):

- ◆ Independent verification and validation vendor – Independent verification and validation staff will be utilized to assure the State that the development and implementation vendor is providing the promised product at the lowest cost, and to reduce any risk factors during the development and implementation phases of the project.
- ◆ Change Control – Change control is necessary since there are always items not addressed in the RFP, which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.
- ◆ Site Preparation – Site preparation will also be a vendor cost. The site preparation estimate includes implementation team staff and associated travel.

### METHODOLOGY:

- The existing and new applicant FG, U, and NAFS caseloads for each phase are multiplied by the 6.67 percent of cases deterred/terminated based on the AFIRM experience with General Relief. The resulting caseloads are then multiplied by the 33 percent that accounts for the different population group from GR that will be fingerprinted through SFIS. The remaining caseload numbers are then multiplied by the average monthly grant savings (Caseload A x \$512.88 for FG and Caseload B x \$590.77 for U), and the monthly recidivism rate developed from the AFIRM experience is applied. The same resulting caseloads and methodology are used to calculate the average monthly administrative savings (Caseload A x \$45.87 for CalWORKs and Caseload B x \$26.04 for NAFS).
- Administrative costs are calculated for fingerprint clerks to fingerprint and photograph both existing and new applicants cases, eligibility workers to discontinue existing cases and to deny new applicant cases who fail or refuse to provide fingerprint images, system administrator activities, and project security.

### FUNDING:

The state share reflects the grant savings of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00, the funding is 89.32 percent TANF, 8.18 percent state, and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state, and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort (MOE). Food Stamp coupons are 100 percent federal and not reflected in the CDSS budget. The administrative costs/savings are 100 percent TANF for CalWORKs, and 50 percent federal, 35 percent state, and 15 percent county for food stamps. The automation project costs are 100 percent state funded for the CalWORKs and Food Stamp programs, and \$4.036 million is countable toward the State's MOE. For general assistance/food stamp cases, costs are shared 50 percent state and 50 percent county. For pure general assistance cases, costs are 100 percent county.

### CHANGE FROM PRIOR SUBVENTION:

- The estimate reflects a delay in the rollout schedule based on the actual date the contract was signed, September 8, 1999.
- The estimate was updated with current caseload projections and average grants. Food stamp administration was held to the appropriation as the money has already been allocated.

## Statewide Fingerprint Imaging System (SFIS)

### CHANGE FROM PRIOR SUBVENTION (continued):

- The administrative costs/savings reflect a federal share for both CalWORKs and food stamps since the associated activities are considered part of the normal eligibility determination process.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects a full year of costs and savings for all three phases, as the existing caseload conversion is completed.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload (Total FG and U for each phase for existing recipients and new applicants)	Total Phase 1: 261	Total Phase 1: 119
	Total Phase 2: 511	Total Phase 2: 308
	Total Phase 3: 87	Total Phase 3: 344

### EXPENDITURES:

(in 000's)	1999-00		2000-01	
TANF (Item 101)	Grant	County Admin.	Grant	County Admin.
Total	\$-2,331	\$364	-\$49,671	\$-3,040
Federal	-2,082	0	-43,407	0
State	-191	364	-5,022	-3,040
County	-58	0	-1,242	0
Reimbursements	0	0	0	0

### Food Stamp Administration (Item 141)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$756	\$-36
Federal	0	0
State	756	-36
County	0	0
Reimbursements	0	0

## Statewide Fingerprint Imaging System (SFIS)

### EXPENDITURES (continued):

#### Automation Projects (Item 141)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$10,606	\$10,606
Federal	0	0
State	10,606	10,606
County	0	0
Reimbursements	0	0

#### CDSS/HHSDC Partnership (Item 141)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$10,606	\$10,606
CDSS	0	0
HHSDC	10,606	10,606

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## Nationwide Prisoner Match

### DESCRIPTION:

This premise, formerly known as the Jail Reporting System (JRS), represents two match systems. The JRS, which reflects the grant savings and administrative costs associated with denying aid to individuals who are no longer eligible due to being incarcerated for over 30 days in a city, county, or city and county-operated jail, remains in place. Senate Bill 1556 (Chapter 205, Statutes of 1996) requires the reporting of incarcerated individuals to federal, state and local agencies that administer public benefits for which incarceration affects eligibility. The California Department of Social Services (CDSS) is required to provide reimbursement for each unduplicated name to the local agency that provides the names of individuals incarcerated over 30 days. In addition, program savings must be reviewed on an annual basis to determine if the reimbursement should increase, decrease, or stay constant, based on the level of savings achieved. The Nationwide Prisoner Match (NPM) will result in additional grant savings and administrative costs due to denying aid to individuals who are no longer eligible due to being incarcerated in a federal, state, or local correctional, penal, or detention facility for more than 30 days. The federal Balanced Budget Act of 1997 (P.L. 105-33) requires states to establish a system to ensure that individuals, who are detained for more than 30 days, are not participating in the Food Stamp program. The Department will develop the NPM system to interface with the Social Security Administration's (SSA) Prisoner Update Program System database. The NPM will match all Food Stamp and California Work Opportunity and Responsibility to Kids (CalWORKs) recipients with the SSA's nationwide database of prisoners.

### IMPLEMENTATION DATE:

The JRS implemented on July 1, 1997. The NPM system implemented on November 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code commencing with section 10985.
- Based on actual data provided by the Fraud Bureau from July 1998 through June 1999, the average monthly number of names provided by jailers is 15,610.
- Based on actual data provided by the Fraud Bureau from July 1998 through June 1999, the match rate is 8.49 percent. Since the matches are not separately identified between the CalWORKs and Food Stamp programs, the 8.49 percent match rate is prorated based on the ratio from the test run of the JRS, 36.36 percent for CalWORKs and 63.64 percent for food stamps. The resulting match rate percentages are 3.09 percent for CalWORKs and 5.4 percent for Food Stamps.
- The average monthly number of CalWORKs matches from the monthly number of names provided by jailers is 482.
- Based on the Fraud Bureau's program experience, 50 percent of the matches will result in discontinued aid.
- The counties are paid \$4.95 per each unduplicated name provided for during Fiscal Year (FY) 1999-00, and \$3.11 per name for FY 2000-01. This does not include known aliases.

## Nationwide Prisoner Match

### KEY DATA/ASSUMPTIONS (continued):

- The estimate assumes that 76.29 percent of the incarcerated persons discontinued from aid are family groups (FG) and 23.71 percent are unemployed (U) parents.
- The average monthly savings represent the average grant difference when removing one person from an FG (\$160.03) and U (\$119.01) case in FY 1999-00. The average monthly savings increases to \$165.36 for a FG and \$122.27 for an U case in FY 2000-01, as a result of a cost-of-living adjustment that will be made to the Maximum Aid Payment in July 2000.
- Savings cumulate for six months based on the length of the penalty for a first time intentional program violation.
- The administrative cost per hour is \$50.58 for CalWORKs in FY 1999-00, and \$50.86 per hour in FY 2000-01. For the Non-Assistance Food Stamps Program, the cost per hour is \$51.15 for FY 1999-00, and \$47.62 for FY 2000-01. The administrative time spent per case to discontinue aid is 0.5 hour for an eligibility worker (EW) and 0.5 hour for a special investigator. For those abstracts where no affect on eligibility is found, the estimate budgets 15 minutes of EW time.
- The additional grant savings and administrative costs associated with the NPM are calculated at five percent of the savings and costs (less the cost for payment of names) for the JRS. The estimate assumes a conservative level of additional savings generated through the NPM due to the likelihood of duplicate matches with the JRS, and limitations associated with the SSA's match criteria of names and verified Social Security Numbers.

### METHODOLOGY:

- The average monthly number of incarcerated persons discontinued from aid is first calculated by multiplying the number of CalWORKs matches by the discontinuance rate (482 x 50 percent).
- The percentages of FG and U are multiplied by the number of incarcerated persons discontinued from aid (76.29 percent x 241 for FG and 23.71 percent x 241 for U) to arrive at an average monthly number of FG and U incarcerated persons discontinued from aid.
- The average monthly number of FG and U incarcerated persons who are discontinued from aid are multiplied by the average monthly savings (184 x \$160.03 for FG and 57 x \$119.01 for U).
- The administrative cost is calculated by multiplying the annual number of CalWORKs and food stamp recipients who are discontinued from aid by the administrative cost per hour and the time spent per case (CalWORKs: 2,892 x \$50.58 x 0.5 hour for an EW and 2,892 x \$50.58 x 0.5 hour for a special investigator; and Food Stamps: 5,064 x \$51.15 x 0.5 hour for an EW and 5,064 x \$51.15 x 0.5 hour for a special investigator). For cases where no affect on eligibility is found, the administrative cost is calculated by multiplying the number of those cases by the administrative cost per hour and time spent per case (CalWORKs: 2,892 x \$50.58 x 0.25 hour for an EW; and Food Stamps: 5,064 x \$51.15 x 0.25 hour for an EW).

## Nationwide Prisoner Match

### METHODOLOGY (continued):

#### Payment for Names Reported

The per name payment level to the counties is based on a break-even level of \$4.95 in FY 1999-00 and \$3.11 in FY 2000-01 which includes CalWORKs grant savings less operational and administrative costs from all programs. The total cost of names of \$927,234 in 1999-00, and \$583,201 in FY 2000-01, is prorated between benefiting programs based on the estimated percentage of individuals that will lose eligibility (CalWORKs: 36.36 percent; and Food Stamps: 63.64 percent).

### FUNDING:

The state share reflects the grant savings of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00, the funding is 89.32 percent TANF, 8.18 percent state, and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state, and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort. The CalWORKs administrative costs are funded 91.82 percent federal and 8.18 percent state in FY 1999-00, and 89.89 percent federal and 10.11 percent state in FY 2000-01. Food stamps administrative costs are shared 50 percent federal, 35 percent state, and 15 percent county.

### CHANGE FROM PRIOR SUBVENTION:

The Department experienced delays in the final development of the system that interfaces with the SSA's nationwide database of prisoners. The implementation date for the NPM system was delayed from July 1999 to November 1999.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 reflects a full year of grant savings and administrative costs for the NPM System. The administrative costs also decrease due to the change in payment for names reported from \$4.95 in FY 1999-00 to \$3.11 in FY 2000-01 for the JRS.

### CASELOAD:

	1999-00	2000-01
Average Monthly Persons	-248	-253



## Nationwide Prisoner Match

### EXPENDITURES:

(in 000's)

#### TANF

(Item 101)

	1999-00		2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	-\$2,125	\$567	-\$2,827	\$416
Federal	-1,898	521	-2,470	374
State	-174	46	-286	42
County	-53	0	-71	0
Reimbursements	0	0	0	0

#### Food Stamp

Administration

(Item 141)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,001	\$720
Federal	198	165
State	744	506
County	59	49
Reimbursements	0	0

## CalWORKs Diversion

### DESCRIPTION:

This premise reflects the grant savings from the diversion of applicants from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This premise also reflects the cost of the diversion payments. The CalWORKs legislation, Assembly Bill 1542 (Chapter 270, Statutes of 1997), requires that every applicant for aid be informed of the availability of lump sum diversion services to resolve circumstances that require the family to apply for aid. Once the applicant is determined eligible for aid, the county has discretion to determine if the applicant will benefit by the lump sum diversion, which may include any cash or noncash payment negotiated by the county and the applicant. An applicant may either participate in the lump sum diversion program or decline to participate and receive aid.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11266.5.
- Based on actual data reported from counties on the County Administrative Expense Claim (CAEC) for the period January through June 1999, an average of 27 Family Group (FG) cases and 21 Unemployed (U) cases are diverted each month.
- Based on an October 1998 county survey conducted by the Legislative Analyst's Office, 7.07 percent of the diverted cases will return to aid after three months.
- It is assumed that in Fiscal Year (FY) 2000-01, the number of cases that will be diverted will increase by 50 percent.
- Based on actual data reported from the counties on the CAEC, the average diversion payment for FG cases is \$1,050.72, and for U cases is \$977.49.
- It is assumed that if a case had not been diverted it would have remained on aid for six months. The savings are realized by six months of grant savings plus the two months grant value of the diversion payment.
- The average grants for FY 1999-00 are FG \$512.88, U \$590.77 and for FY 2000-01 are FG \$532.16 and U \$614.70. The increase in FY 2000-01 is due to the maximum aid payment cost-of-living adjustment in July 2000.

### METHODOLOGY:

For the diversion savings, each month the average monthly number of cases that remain diverted are multiplied by eight months and multiplied by the average grant. Each month the cases that return to aid are multiplied by three months and multiplied by the average grant. The cases that return to aid are also multiplied by the average diversion payment. All the savings are totaled.

For the diversion payment costs, each month the average monthly number of diverted cases is multiplied by the average diversion payment.

## CalWORKs Diversion

### FUNDING:

The state share reflects the cost and savings of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00 the funding is 89.32 percent TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01 the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county. The State-Only Two-Parent Program is countable towards the State's maintenance of effort.

### CHANGE FROM PRIOR SUBVENTION:

The actual number of cases that are diverted has increased.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year assumes a 50 percent increase in the number of diverted cases.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	-45	-68

### EXPENDITURES:

(in 000's)	1999-00			2000-01		
	Grant Savings	Diversion Payment	Total	Grant Savings	Diversion Payment	Total
Total	-\$2,460	\$550	-\$1,910	-\$3,849	\$831	-\$3,018
Federal	-2,197	491	-1,706	-3,364	726	-2,638
State	-201	45	-156	-389	84	-305
County	-62	14	-48	-96	21	-75
Reimbursements	0	0	0	0	0	0

## Exits Due To Employment

### DESCRIPTION:

This premise represents the estimated grant savings and the corresponding administrative savings resulting from caseload exits. The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill 1542 (Chapter 270, Statutes of 1997), requires nonexempt able-bodied applicants and recipients to participate in work activities. Grant savings are realized by the number of cases with earnings that leave aid in excess of the number of cases with earnings that left aid in Fiscal Years (FYs) 1994-95, 1995-96 or 1996-97, or the average of those three years.

### IMPLEMENTATION DATE:

Implementation began January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.8.
- The average number of cases, over the base year, with earnings that will leave is 14,734 in FY 1999-00, and 9,194 in FY 2000-01.
- The average number of cases with earnings that left aid in the counties' base year is 11,379.
- Cash Grant Caseload Movement and Expenditures Report (CA 237), data the number of projected terminations was developed.
- The Medi-Cal Eligibility Data System (MEDS) was used to determine that 57.24 percent of all terminations remain off aid at least six months.
- Of the cases that remain off aid at least six months, 58.57 percent of them have earnings. This was determined by matching the MEDS terminated cases with the Employment Development Department (EDD) Wage Match file.
- MEDS data and the EDD Wage Match were used to determine the monthly ratio of cases that remained off aid for 1 through 12 months.
- Based on the Q5 Survey data from January through September 1998, the estimated average grants are family group (FG) \$512.88, unemployed (U) \$490.77 in FY 1999-00, and FG \$532.16, U \$614.70 in FY 2000-01. The change in the grant levels is a result of the July 2000 cost-of-living adjustment.
- The administrative cost associated with a continuing case, \$37.53 in FY 1999-00, and \$37.73 in FY 2000-01, was used based on ratios calculated from updated eligibility worker cost per hour.

### METHODOLOGY:

- The monthly number of projected terminations was multiplied by the percent of cases off aid six months. The result was multiplied by the percent of cases with earnings that were off aid six months. From the remaining number of cases, the counties' average base year number of cases was subtracted to determine the number of cases with earnings that left aid.

## Exits Due To Employment

### METHODOLOGY (continued):

- Each monthly number of cases with earnings that left aid was multiplied by the ratios of cases that remain off aid for months one through twelve. Each month's cases were totaled, then multiplied by the average grant to determine the savings.
- The administrative savings were determined by multiplying the monthly number of cases that left aid by the eligibility worker cost per case.

### FUNDING:

For assistance payments, the state share reflects the savings of the State-Only Two-Parent Program which implemented October 1, 1999. This funding is countable toward the State's maintenance of effort. In FY 1999-00, the funding is 89.32 percent TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county.

For administrative savings in FY 1999-00, the funding is 91.82 percent TANF and 8.18 percent state. In FY 2000-01, the funding is 89.89 percent TANF and 10.11 percent state. The state share reflects the savings of the State-Only Two-Parent Program.

### CHANGE FROM PRIOR SUBVENTION:

This premise reflects a change in the methodology. The prior estimate was based on calculations using data from the CalWORKs Services Program Model.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 savings reflect fewer terminations from the CalWORKs Program.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	-14,734	- 9,194

### EXPENDITURES:

(in 000's)

	1999-00		2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	-\$93,022	-\$6,636	-\$60,261	-\$4,163
Federal	-83,084	-6,093	-52,662	-3,742
State	-7,612	-543	-6,092	-421
County	-2,326	0	-1,507	0
Reimbursements	0	0	0	0

## **Grant Reductions Earnings – Pre- and Post-CalWORKs**

### **DESCRIPTION:**

This premise reflects the savings associated with able-bodied adults working more as a result of the work requirements, and, therefore, receiving a smaller grant. The California Work Opportunity and Responsibility to Kids (CalWORKs) Program legislation, Assembly Bill 1542 (Chapter 270, Statutes of 1997), requires nonexempt able-bodied applicants and recipients to participate in work activities. These activities include employment, Job Club/Job Search, community service, on the job training, etc. It is anticipated that this new work requirement will result in increased employment.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- As a result of the work requirements under Welfare and Institutions Code section 11320.1, an increased number of cases will become employed.
- The Q5 Survey first and third quarter calendar year 1998 data were used to determine the average family group (FG) and unemployed (U) parent grants for assistance units with earnings. The average monthly saving per case due to the reported earnings for FG is \$228.86, and U is \$266.02 in Fiscal Year (FY) 1999-00; FG is \$230.32, and U is \$267.37 in FY 2000-01. The changes in the grant levels are a result of the July 2000 cost-of-living increase.

#### **Pre-CalWORKs**

- Based on data from the Q5 Survey for October through December 1997, 13.21 percent of FG and 38.22 percent of U cases have earnings that are sufficient to decrease the monthly aid payment.
- Pre-CalWORKs savings are in the trend expenditures; and, therefore, are reflected as a non-add item.

#### **Post-CalWORKs**

- Based on data from the Q5 Survey for January through September 1998, 22.4 percent of FG and 46.97 percent of U cases have earnings that are sufficient to decrease the monthly aid payment.

### **METHODOLOGY:**

#### **Pre-CalWORKs**

- The basic FG caseload was multiplied by 13.21 percent to determine the number of cases with grant reductions due to earnings. The basic U caseload was multiplied by 38.22 percent to determine the number of cases with grant reductions due to earnings. The average grant was then computed after removing the value of earnings from the computation. The cases were multiplied by the average monthly savings per case to determine the value of the savings due to cases with persons working prior to the implementation of CalWORKs.

#### **Post-CalWORKs**

- The basic FG and U caseloads were multiplied by 22.4 percent and 46.97 percent, respectively, to determine the number of cases with grant reductions due to earnings. Those cases were multiplied by the average monthly savings per case to determine the value of the savings due to cases with persons working. The value of the pre-CalWORKs grant reductions earnings is subtracted from this amount to determine the value of the post-CalWORKs grant reductions due to earnings.

## Grant Reductions Earnings – Pre- and Post-CalWORKs

### FUNDING:

The state share reflects the cost of the State-Only Two-Parent Program which implemented October 1, 1999. These costs are countable toward the State's maintenance of effort. In FY 1999-00, the funding is 89.32 TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county.

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated using January through September 1998 Q5 data as compared to the January through June 1998 Q5 data used in May Revise, to reflect the increased percentage of families working. This estimate also reflects the November 1999 basic caseload projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a projected decrease in caseload.

### CASELOAD:

	1999-00		2000-01	
Average Monthly Caseload	Pre-CalWORKs	Post-CalWORKs	Pre-CalWORKs	Post-CalWORKs
	105,859	55,279	101,265	52,881

### EXPENDITURES:

(in 000's)

	1999-00		2000-01	
	Pre-CalWORKs	Post-CalWORKs	Pre-CalWORKs	Post-CalWORKs
	Grant	Grant	Grant	Grant
Total	-\$308,267	-\$155,832	-\$296,616	-\$149,985
Federal	-275,335	-139,184	-259,213	-131,072
State	-25,225	-12,752	-29,988	-15,163
County	-7,707	-3,896	-7,415	-3,750
Reimbursements	0	0	0	0

## Recent Noncitizen Entrants

### DESCRIPTION:

Public Law (P.L.) 104-193 restricts eligibility for legal immigrants entering the United States (U.S.) after the date of enactment (August 22, 1996). These recent entrants to the U.S. are barred from receiving benefits from the Temporary Assistance for Needy Families (TANF) Program for the first five years they are in the country. P.L. 104-193 does provide exceptions for certain aliens:

1. Refugees, asylees, or those granted withholding of deportation for their first five years in the U.S.;
2. Veterans, active duty, spouses and dependents; and,
3. Cuban-Haitian: Cuban-Haitian entrants are eligible for Refugee Assistance and Refugee Education Assistance.

The California Work Opportunity and Responsibility to Kids (CalWORKs) Program continues aid to recent noncitizen entrants who do not meet the exception criteria. This premise is the estimated cost for continuing to aid recent noncitizen entrants.

### IMPLEMENTATION DATE:

This premise implemented September 1996.

### KEY DATA/ASSUMPTIONS:

- The October 1996 Aid to Families with Dependent Children Characteristics Survey was utilized as the primary source of data for this premise estimate. The data provided by this survey included:
  - ♦ County of residence;
  - ♦ Aid category and assistance unit (AU) size;
  - ♦ Net income;
  - ♦ Date of most recent application for aid;
  - ♦ Alien status for each member of the AU; and,
  - ♦ Date of entry into the U.S. for each alien member of the AU.
- Within the October 1996 database, the grants for the affected cases were computed with and without the recent noncitizen entrants. The average difference between these two grants is the cost per case.
- Utilizing the October 1996 database, the ratio of cases with recent noncitizen entrants was computed.
- This premise began in September of 1996 with the passage of P.L. 104-193. Therefore, the first year of fiscal impact is September 1996 through August 1997. The second year of impact is September 1997 through August 1998, and so on.
- In addition to the survey data, the family group (FG) and unemployed (U) parent basic caseloads were used in computing the estimated cases affected in the current and budget years.
- For Employment Services, the cost in Fiscal Year (FY) 1999-00 has been held at the appropriation level and adjusted for caseload in FY 2000-01.



## Recent Noncitizen Entrants

### KEY DATA/ASSUMPTIONS (continued):

- The cost of providing CalWORKs child care per family per month is \$586 in the current year and \$603 in the budget year. The current year cost is based on actual county expenditures in FY 1998-99. The budget year cost is based on the \$586 rate increased by the California Department of Education (CDE) K-12 cost-of-doing-business (CODB) adjustment of 2.84 percent.
- The cost of providing Cal Learn child care per family per month is \$461 in the current year and \$474 in the budget year. The current year cost is based on January through June 1999 expenditures as reported on the CW 115 Monthly Reports and the caseload for the same period as reported on the Stat 45 Monthly Reports. The budget year cost is based on the \$461 rate increased by the CDE K-12 CODB adjustment.
- The Cal Learn caseload for recent noncitizen entrants was determined by taking the total number of TANF FG basic recent noncitizen entrants multiplied by the ratio of Cal Learn caseload to projected TANF FG basic caseload.

### METHODOLOGY:

- The caseload is calculated by applying the year-to-year projected growth of the U ratio of recent noncitizen entrants' cases.
- The grant costs are calculated by applying the year-to-year projected change in the average grant amounts for U cases.
- The casemonths for FG cases were multiplied by the average monthly cost per case for the CalWORKs Welfare To Work Program to determine the projected cost of providing employment services.
- For both CalWORKs and Cal Learn child care, the recent noncitizen entrants FG caseload was multiplied by the 25-percent child care utilization rate. The net child care caseload was then multiplied by the average monthly child care costs for CalWORKs child care and for Cal Learn child care.

### FUNDING:

The State and counties fund these grant costs. The employment services and child care are 100 percent state-funded.

### CHANGE FROM PRIOR SUBVENTION:

Services and child care costs were held to the appropriation in the current year. Grant and administration costs were updated to adjust for the new caseload projections and basic grant costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year cost increases as a result of the accumulation of noncitizen entrants in the caseload. The child care costs are reduced due to the decrease in the utilization rate from 30 to 25 percent.

## Recent Noncitizen Entrants

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	2,505	2,529

### EXPENDITURES:

(in 000's)

Item 101 -	1999-00		2000-01	
<b>CalWORKs</b>				
<b>Assistance Payments</b>	Grant	County Admin.	Grant	County Admin.
Total	\$6,254	\$88	\$6,570	\$89
Federal	0	0	0	0
State	5,942	88	6,242	89
County	312	0	328	0
Reimbursements	0	0	0	0

Item 101 -	1999-00		2000-01	
<b>CalWORKs Services</b>	Grant		Grant	
Total	\$2,772		\$2,800	
Federal	0		0	
State	2,772		2,800	
County	0		0	
Reimbursements	0		0	

Item 101 -	1999-00		2000-01	
<b>CalWORKs Stage One Child Care</b>	Services/ Administration		Services/ Administration	
Total	\$1,534		\$1,449	
Federal	0		0	
State	1,534		1,449	
County	0		0	
Reimbursements	0		0	

## Recent Noncitizen Entrants

### EXPENDITURES (continued):

(in 000's)

Item 101 -	1999-00	2000-01
<b>Cal Learn Services</b>	Services/ Administration	Services/ Administration
Total	\$133	\$133
Federal	0	0
State	133	133
County	0	0
Reimbursements	0	0

Item 101 -	1999-00	2000-01
<b>Cal Learn Child Care</b>	Services/ Administration	Services/ Administration
Total	\$27	\$27
Federal	0	0
State	27	27
County	0	0
Reimbursements	0	0

## Grant Reductions Due to Sanctions/Penalties

### DESCRIPTION:

This premise reflects the estimated grant savings resulting from sanctions due to an able-bodied recipient's failure to meet the California Work Opportunity and Responsibility to Kids (CalWORKs) Program work activity requirements, failure to participate in community service activities or child support assignment of rights. It also reflects the estimated grant savings resulting from penalties imposed for not meeting immunization, school attendance, or child support cooperation requirements. Assembly Bill 1542 (Chapter 270, Statutes of 1997) created the CalWORKs Program, replacing the Aid to Families with Dependent Children Program effective January 1, 1998. CalWORKs requires nonexempt able-bodied applicants and recipients to participate in work activities. These activities include employment, Job Club/Job Search, community service, on the job training, etc. Those recipients who fail to meet the work activity requirements will be subject to a sanction equal to removal from the assistance unit. CalWORKs also requires applicants and recipients to meet other program requirements such as school attendance, immunization and child support cooperation. A penalty is imposed if these requirements are not met.

### IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code (W&IC) section 11327.5 provides for a sanction, for adults who refuse to comply with the work requirements under the CalWORKs Program.
- A sanction is equal to the removal of the individual from the assistance unit.
- W&IC section 11253.5 imposes school attendance penalties.
- W&IC section 11265.8 imposes immunization penalties.
- W&IC section 11477 imposes the child support cooperation penalties.
- A penalty is equal to the grant reduction of one or more individuals' needs not being considered when computing the grant.
- Based on the January through September 1998 Q5 data, 4.02 percent of the caseload is sanctioned or penalized each month (4.24 percent family groups (FG) and 2.95 percent unemployed (U) parents).
- This estimate assumes the value of a penalty is equivalent to that of a sanction.
- Savings per case due to sanctions or penalties are \$143.00 in Fiscal Year (FY) 1999-00 and \$144.43 in FY 2000-01 for FG cases, and \$213.47 in FY 1999-00 and \$183.10 in FY 2000-01 for U cases.
- The CalWORKs monthly basic FG and U caseloads (described in a separate premise) are used in the calculation.

## Grant Reductions Due to Sanctions/Penalties

### METHODOLOGY:

The CalWORKs monthly basic FG caseload is multiplied by 4.24 percent each month to determine the number of FG cases sanctioned/penalized each month. The CalWORKs monthly basic U caseload is multiplied by 2.95 percent each month to determine the number of U cases sanctioned/penalized each month. The monthly numbers of cases per month that are being sanctioned/penalized are multiplied by their respective savings per case to determine the grant savings.

### FUNDING:

The state share reflects the grant savings of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00, the funding is 89.32 percent TANF, 8.18 percent state, and 2.5 percent county. In FY 2000-01, the funding is 87.39 percent TANF, 10.11 percent state, and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated using the most current actual data.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year savings reflect a decline in the basic FG and U caseloads and decrease in the savings per U case.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	-24,461	-23,327

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	-\$44,411	-\$41,751
Federal	-39,667	-36,486
State	-3,634	-
		4,221
County	-1,110	-1,044
Reimbursements	0	0

## Maximum Family Grant

### DESCRIPTION:

This premise reflects the grant savings associated with denying aid to a child when the child is born while the family is on aid. With certain exceptions, the maximum family grant (MFG) stipulates there be no increase in the maximum aid payment (MAP) for children who are born to a family that received aid continuously for the 10 months prior to the birth. In such cases, there must be a 24-month break in aid before the assistance unit (AU) is eligible for increased benefits for the additional child(ren). Grant savings for September 1997 through June 1998 are in the base program. This premise reflects only the incremental increase in grant savings over the base.

### IMPLEMENTATION DATE:

The fiscal impact of the maximum family grant began on September 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.04.
- The Aid to Families with Dependent Children (AFDC) October 1996 Survey was used to determine the percent of cases that would be affected by MFG using the date of birth for all AU members.
- It was determined from the AFDC survey that in the first year of implementation, 4.51 percent of the Family Group (FG) caseload and 5.85 percent of the Unemployed (U) caseload would be MFG cases; in the second year the percent will be 8.38 FG and 13.11 U; and in the third year the percent will be 11.71 FG and 17.22 U.
- For purposes of this estimate, it is assumed that births of children subject to MFG would be equal over a 12-month period. Therefore, the FG and U monthly percent of MFG cases is equal to the annual MFG percent divided by 12.
- Q5 Survey data for the period of January through September 1998 was used to determine the average monthly savings per case. The savings per case are as follows: Fiscal Year (FY) 1999-00, FG is \$160.03 and U is \$119.01; FY 2000-01, FG is \$165.36 and U is \$122.27. The change from year to year is due to the cost-of-living adjustment effective July 2000.
- The FG and U basic caseloads were used in determining the number of MFG cases.

### METHODOLOGY:

The first year MFG FG and U percentages were divided by 12 and one-twelfth of the percentage was applied to the FG and U caseloads respectively to determine the monthly number of MFG cases. The cases continue to cumulate each month. The total number of FG and U MFG cases were determined for the period September 1997 through June 1998.

The same methodology was used to determine the monthly number of MFG cases for the second and third years; however, the percentage of growth was the difference in the percentages between year one and year two, and year two and year three. The difference was divided by 12 to determine the monthly growth.

## Maximum Family Grant

### METHODOLOGY (continued):

Beginning with July 1999, the total monthly number of MFG cases in the base was determined by multiplying the monthly percent of MFG cases by the basic caseload. The base caseload (September 1997 through June 1998), was then subtracted from the monthly MFG cases in order to determine only the incremental growth of MFG cases.

The monthly incremental number of MFG cases was multiplied by the monthly savings per case to determine the incremental savings for each year.

### FUNDING:

The state share reflects the savings of the State-Only Two-Parent Program which implemented October 1, 1999. In FY 1999-00 the funding is 89.32 percent TANF, 8.18 percent state and 2.5 percent county. In FY 2000-01 the funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### CHANGE FROM PRIOR SUBVENTION:

The estimate was updated with the November 1999 basic caseload projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects the continued incremental growth of the MFG caseload savings.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	36,232	51,565

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	-\$63,873	-\$94,529
Federal	-57,049	-82,609
State	-5,227	-9,557
County	-1,597	-2,363
Reimbursements	0	0

## Quarterly Reporting (AB 510)

### DESCRIPTION:

This premise reflects the estimated net savings as a result of requiring California Work Opportunity and Responsibility to Kids (CalWORKs) and food stamp recipients to submit quarterly rather than monthly reports (SAWS 7 or CW 7). Assembly Bill (AB) 510 (Chapter 826, Statutes of 1999) reduces the frequency of reports, but requires recipients to report certain changes in information that affects the recipient's eligibility under CalWORKs, federal Food Stamps program, and State-Only California Food Assistance Program (CFAP). This bill also provides that the annual face-to-face interview with CalWORKs recipients is at the county's discretion. The annual face-to-face interview for the federal Food Stamp Program and CFAP may be at the county's discretion if the United States Department of Agriculture waives the interview requirements. Subject to the agreement of the local district attorney, Los Angeles and up to eight additional counties may implement this project. The California Department of Social Services (CDSS) must evaluate the project no later than January 1, 2003. After the evaluation, if quarterly reporting is determined to be implemented statewide, the remaining counties will phase-in implementation between January 1, 2004, and January 1, 2005.

### IMPLEMENTATION DATE:

This premise is effective July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 510 (Chapter 826, Statutes of 1999) and Welfare and Institutions Code Sections 18910 and 11265.2.
- It is assumed that Los Angeles and four other counties will have made the necessary changes, including reprogramming, and will be prepared to begin the project in August 2000. Thus far, five counties will participate, comprising 45.19 percent of the statewide CalWORKs caseload and 47.68 percent of the nonassistance food stamp (NAFS) caseload.
- The May 1999 caseloads were used to project the number of CalWORKs and NAFS cases that would participate. The food stamp caseload is adjusted for the percent of cases already participating in a nonmonthly/change reporting system. Based on July 1997 through June 1998 Q5 survey data, 5.81 percent of the food stamp caseload are participating in a nonmonthly/change reporting system.

### Administrative Costs:

- It is assumed it will take 2.25 times as long to process a quarterly report as it does a monthly report. Thirty-three percent of the caseload will submit a quarterly report each month. This results in an additional cost of \$44.74 per CalWORKs case and \$26.98 per NAFS case to process the monthly reports.
- It is assumed that 67 percent of the caseload could potentially have a change in earnings to report outside their normal quarterly report month. Based on January through June 1998 Employment Development Department (EDD) wage match data, 31.37 percent of the CalWORKs cases have earnings. Based on January through March 1998 Q5 survey data, 12.49 percent of NAFS cases have earnings. Based on the cases with earnings data from EDD, the estimate assumes 29.40 percent of these cases have a change in income of \$100 or more each month.



## Quarterly Reporting (AB 510)

### KEY DATA/ASSUMPTIONS (continued):

- The cost to process a change in a case outside of the normal quarterly report month is \$35.79 for CalWORKs and \$21.58 for NAFS.
- Based on the January through June 1998 EDD wage match data, the estimate assumes 17.60 percent of cases have a decrease in monthly earnings of \$50 or more. For these cases, supplemental food stamp coupons will be issued. It is assumed that it takes 20 minutes of eligibility worker (EW) time to prepare a supplement at a cost of \$16.69 per case.

#### Administrative Savings:

- It is assumed 67 percent of the caseload will no longer be required to report each month. The savings from not reporting are calculated at the continuing case costs for a CalWORKs case (\$35.79) and NAFS case (\$21.58).
- Based on data from the CA 237 for calendar year 1998, 2.61 percent of the cases are discontinued each month for failure to submit a monthly report. Based on the March 1993 Food Stamp Characteristics Survey, 8.40 percent of NAFS cases are discontinued each month for failure to submit a monthly report.
- It is assumed 67 percent fewer cases will be discontinued each month for failure to submit a monthly report.
- It is assumed that it takes 20 minutes of EW time to discontinue a case. The savings from not discontinuing cases are \$16.08 per CalWORKs case and \$16.69 per NAFS case.
- Of the cases that are discontinued each month, 28.42 percent are restored. This is based on data from the CA 237 for the period January through December 1998.
- It is assumed that since fewer cases will be discontinued, fewer cases will be restored. It takes 20 minutes to restore a case. The savings from not restoring cases are \$16.08 per CalWORKs case and \$16.69 per NAFS case.
- There will be a \$0.65 mailing savings for each case that is not required to submit a report. The savings include postage, return postage, the cost of the form and the cost of the return envelope.

#### Grant Costs:

- Based on the January through June 1998 EDD wage match data, the estimate assumes 11.7 percent of cases with earned income have an increase in income of \$1 to \$99 each month.
- The estimate assumes that 67 percent of the caseload with an increase in income between \$1 and \$99 will not report the change until their quarterly report month.
- Based on January through June 1998 Q5 data, the estimate assumes an average increase in income of \$49 for those cases with increased income. Since recipients are no longer required to report a change in income under \$100, this would result in a grant cost per case of \$24.50 for CalWORKs and \$16 in food stamp coupon costs. It is assumed 33 percent of the cases would receive the additional grant money for one month and another 33 percent of the cases would receive the additional grant money for two months.

## Quarterly Reporting (AB 510)

### KEY DATA/ASSUMPTIONS (continued):

- It is assumed that the cases that are not discontinued due to ineligibility, in a nonreport month, incur an overpayment for the month(s) the case was not discontinued. It is assumed 33 percent of the cases would be ineligible for one month and another 33 percent of the cases would be ineligible for two months. The average monthly amount of the overpayment is \$526.04 for CalWORKs and \$181.75 for food stamps. Based on the Fraud Bureau's program experience, 50 percent of the overpayments are not collected.
- The estimate assumes \$17 in supplemental food stamp coupons will be issued for those cases with a decrease in earnings of \$50 or more. The food stamp coupon to household income conversion is \$1 in coupon for every \$3 in income.

### METHODOLOGY:

- The percent of the state caseloads for the participating counties was multiplied by the CalWORKs and NAFS caseload to determine the number of cases that would be participating.

#### Administrative Costs:

- The monthly number of participating cases was multiplied by 0.33 to convert the existing caseloads to quarterly reporting. The result was multiplied by the additional cost (\$44.74 per CalWORKs case and \$26.98 per NAFS case) to process a quarterly report to determine the administrative cost of processing the quarterly reports.
- The monthly number of participating cases was multiplied by the percent of cases with earnings (31.37 percent for CalWORKs and 12.49 percent for NAFS). The result was multiplied by the percent of cases (29.40 percent) with changes in income of over \$100. The number of cases with changes in earnings of over \$100 was multiplied by 0.67 to determine the number of cases that must report outside the normal reporting cycle. Those cases were then multiplied by the cost to process the report (\$35.79 for CalWORKs and \$21.58 for NAFS) to determine the administrative cost of processing a report in a nonreport month.
- The monthly number of participating food stamp cases was multiplied by the percent of cases (17.60 percent) with a decrease in income of \$50 or more. The result was multiplied by the cost to prepare a supplement (\$16.69).

#### Administrative Savings:

- The monthly number of participating cases was multiplied by 0.67 to determine the number of cases no longer reporting each month due to the change to quarterly reporting. The result was multiplied by the cost of processing a monthly report (\$35.79 for CalWORKs and \$21.58 for NAFS) to determine the administrative savings of not processing monthly reports.
- The monthly number of participating cases was multiplied by the percent of cases discontinued each month for failure to submit a monthly report (2.61 percent for CalWORKs and 8.40 percent for NAFS). The result was multiplied by 0.67 to determine the number of cases that would not be discontinued since it was not a report month for those cases. The difference between the number of cases discontinued under a monthly reporting versus a quarterly reporting system was multiplied by the cost of discontinuing a case (\$16.08 for CalWORKs and \$16.69 for NAFS) to determine the administrative savings of not discontinuing cases in a nonreport month under quarterly reporting.

## Quarterly Reporting (AB 510)

### METHODOLOGY (continued):

- The number of cases that were not discontinued each month for noncompliance was multiplied by 28.42 percent to determine the fewer number of cases that would need to be restored since the cases were not discontinued. The number of cases not being restored was multiplied by the cost of restoring a case (\$16.08 for CalWORKs and \$16.69 for NAFS) to determine the administrative savings of not restoring cases.

#### Grant Costs:

- The number of cases with earnings was multiplied by 11.7 percent to determine the number of cases that has a change in income of \$1 to \$99 each month. Those cases were multiplied by 0.67 to determine the number of cases that would not report a change in income because it is not a report month for those cases under quarterly reporting. The resulting CalWORKs and NAFS caseloads were multiplied by \$24.50 and \$16, respectively, to determine the additional costs incurred when the recipient is not required to report the change. For these cases not reporting a change in income since it is not their report month, half of the cases will receive additional grants and/or food stamp coupons for one month and half for two months
- The number of cases that were not discontinued for noncompliance and not restored was determined by subtracting from the cases that were not discontinued the number of cases that would have been restored. That resulted in the number of cases for two months that would have been discontinued and not restored under monthly reporting. Half of that number was multiplied by half the average grant to determine the one-month value of the overpayments that will not be collected. The total number was multiplied by half the average grant to determine the two-month value of the overpayments. The values of the overpayments were totaled to determine the cost of grant overpayments.

### FUNDING:

- CalWORKs Grants – The state share reflects the cost of the State-Only Two-Parent Program, which implemented October 1, 1999. The funding is 87.39 percent TANF, 10.11 percent state and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort (MOE).
- CalWORKs Administration – The state share reflects the cost of the State-Only Two-Parent Program. The funding is 89.89 percent TANF and 10.11 percent state. The State-Only Two-Parent Program is countable toward the State's MOE.
- Federal food stamp coupons are 100 percent federal and not reflected in the CDSS budget. Federal food stamp administrative costs are shared 50 percent federal, 35 percent state, and 15 percent county. The CFAP costs are 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year reflects 11 months of net savings.

## Quarterly Reporting (AB 510)

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload		
CalWORKs	0	281,475
Federal Food Stamps	0	128,982
CFAP	0	20,618

### EXPENDITURES:

(in 000's)

#### Item 101 – CalWORKs

	1999-00		2000-01	
	Grant	Administration	Grant	Administration
Total	\$0	\$0	\$18,101	-\$23,235
Federal	0	0	15,818	-20,886
State	0	0	1,830	-2,349
County	0	0	453	0
Reimbursements	0	0	0	0

#### Item 141 – Food Stamps

	1999-00		2000-01	
	Grant	Administration	Grant	Administration
Total	\$0	\$0	\$0	-\$4,803
Federal	0	0	0	-2,402
State	0	0	0	-1,681
County	0	0	0	-720
Reimbursements	0	0	0	0

## Quarterly Reporting (AB 510)

### EXPENDITURES (continued):

(in 000's)

Item 141 – CFAP	1999-00		2000-01	
	Grant	Administration	Grant	Administration
Total	\$0	\$0	\$1,370	-\$797
Federal	0	0	0	0
State	0	0	1,370	-797
County	0	0	0	0
Reimbursements	0	0	0	0

TOTAL – All Items	1999-00		2000-01	
	Grant	Administration	Grant	Administration
Total	\$0	\$0	\$19,471	-\$28,835
Federal	0	0	15,818	-23,288
State	0	0	3,200	-4,827
County	0	0	453	-720
Reimbursements	0	0	0	0

## Homeless Assistance Exceptions/Increase in Temporary Payments

### DESCRIPTION:

This premise reflects the increased grant cost resulting from changing the length of time in which a recipient can receive Homeless Assistance Payments (HAP) under an exception from 24 months to 12 months, and increasing the nonrecurring Homeless Assistance Special Need Payment from \$30 per day to \$40 per day. These payments are authorized under the authority granted in Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999). Since this is a state mandate, there is no county share.

### IMPLEMENTATION DATE:

This premise became effective July 22, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 10553 and 10554. Subject regulations implement and make specific W&IC section 11450.

#### Exceptions Cost for Permanent HAP:

- Exceptions to the once in a lifetime HAP are domestic violence, physical and mental illness, and uninhabitability of a former residence caused by sudden natural catastrophe, fire or condemnation. Within the exception criteria for HAP, domestic violence is the most common reason an assistance unit (AU) requests HAP. According to the "AFDC Homeless Survey May and November 1989," 3.9 percent of the HAPs are for domestic violence situations. The other exceptions are rare.
- The actual annual cost of HAP for Fiscal Year (FY) 1998-99 was \$12,210,894, as reported on the Monthly AFDC – FG and U HAP Statistical Report.
- The current year (CY) HAP expenditures were adjusted by caseload decline to project the budget year (BY) HAP expenditures.

#### Rate Increase Cost for Temporary HAP:

- The temporary costs and temporary cases are based on actual data from FY 1998-99 CA 237 Homeless Assistance (HA) Data.
- The actual caseload for FY 1998-99 was used to determine the actual percent of temporary cases to total cases, of 0.001935 percent.
- The \$30 to \$40 change represents a 33.33 percent increase in the special need payment.
- The average temporary cost per case for FYs 1999-00 and 2000-01 is \$283. This is based on FY 1998-99 actual data from the CA 237 HA.
- The average incremental difference cost for FYs 1999-00 and 2000-01 is \$94.
- The CY and BY caseloads increase in temporary HAP was determined using basic caseload.

## Homeless Assistance Exceptions/Increase in Temporary Payments

### **METHODOLOGY:**

Exceptions Cost for Permanent HAP:

- To determine the CY exception grant cost, the annual HAP expenditures for FY 1998-99 was multiplied by 3.9 percent.
- The BY projected HAP expenditures were determined by multiplying the FY 1998-99 cost of HAP by the inverse of 5.4 percent, 0.946, the decrease in caseload from FY 1999-00 to FY 2000-01 basic caseload.
- To determine the BY exception grant cost, the projected HAP was multiplied by 3.9 percent.

Rate Increase Cost for Temporary HAP:

- To determine the percent of temporary cases to total, the actual number of temporary cases was divided by the total actual caseload.
- To determine the temporary cost per case, the temporary costs were divided by the temporary cases.
- The increased cost per case was determined by multiplying the temporary cost per case by 1.33 percent.
- The incremental difference cost was derived by subtracting the temporary cost per case from the increased cost per case.
- For FYs 1999-00 and 2000-01, the number of temporary cases was determined by multiplying basic caseload by the percent of temporary cases to total cases (0.001935 percent).
- To determine the cost for the incremental difference, the temporary cases were multiplied by the incremental difference cost (\$94).

### **FUNDING:**

The state share reflects the cost of the State-Only Two-Parent Program, which implemented October 1, 1999. In FY 1999-00, the funding is 88 percent TANF and 12 percent state. In FY 2000-01, the funding is 83 percent TANF and 17 percent state. The State-Only Two-Parent Program is countable toward the State's maintenance of effort.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise. The Legislature appropriated \$2 million TANF in 1999-00 for these provision changes. The estimate reflects updated caseload projections and HAP expenditures.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The estimate reflects a decline in caseload from FY 1999-00 to FY 2000-01.

## Homeless Assistance Exceptions/Increase in Temporary Payments

### CASELOAD:

	1999-00	2000-01
Average Monthly Cases	1,215	1,162

### EXPENDITURES:

(In 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$1,810	\$1,728
Federal	1,590	1,434
State	220	294
County	0	0
Reimbursements	0	0



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## **Child Support Assurance Demonstration Project**

### **DESCRIPTION:**

This premise reflects the grant costs associated with the Child Support Assurance (CSA) demonstration project. The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) directs the California Department of Social Services (CDSS) to conduct a demonstration project to test methods of CSA as alternatives to CalWORKs grants. CSA provides employed low income custodial parents a guaranteed child support payment in lieu of a grant under the CalWORKs program. In addition, counties may provide supportive services such as child care, substance abuse and mental health counseling. If these services are provided, the costs for these services are to be paid from the counties' single allocation. AB 472 (Chapter 803, Statutes of 1999) specifies that no funding streams will be utilized to pay for the CSA payments if those funding streams would cause the participants to be subject to the time limitations of CalWORKs recipients. The CDSS has selected three counties to test two methods of CSA.

### **IMPLEMENTATION DATE:**

This premise will be implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 15200 and 18241 through 18247.
- San Francisco, Alameda and Contra Costa have been selected to participate in the CSA project.
- The average CSA payments as provided by each county are: San Francisco \$280, Alameda \$277 and Contra Costa \$440.
- The cases participating in the demonstration project in Fiscal Year (FY) 2000-01 will be phased-in over the 12-month period. The numbers of cases participating are: San Francisco 425, Alameda 153 and Contra Costa 154.
- Based on the Q5 Survey data from January through September 1998, the estimated average grant for a case with earnings is \$457.43.
- The grant costs for these participants, \$2.75 million TANF, are currently reflected in the basic cost of the program.

### **METHODOLOGY:**

For each county, the monthly number of cases that will be phased-in was multiplied by the value of the CSA payment plus the value of the average grant. The costs for the three counties was then totaled.

The CalWORKs grant was determined by multiplying the monthly number of cases by the average grant. The value of the CalWORKs grants was subtracted from the Basic Grant cost of the program in order to not count this cost twice. In addition, these costs will be funded as State General Fund (GF) maintenance of effort (MOE).

### **FUNDING:**

These expenditures are 100 percent GF, countable toward the State's MOE.

## Child Support Assurance Demonstration Project

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	0	167

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	0	\$4,631
Federal	0	0
State	0	4,631
County	0	0
Reimbursements	0	0

## Employment Training Fund

### DESCRIPTION:

This premise reflects \$30 million from the Employment Training Fund (ETF) used to offset the cost of providing employment services to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

ETF funds are derived from employer contributions and administered by the Employment Development Department. The ETF funds meet the federal criteria to be counted toward Temporary Assistance for Needy Families Program maintenance of effort (MOE) requirements.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

It is assumed that the Legislature will continue to appropriate \$30.0 million in Fiscal Year (FY) 2000-01 from the ETF.

### METHODOLOGY:

Once the total cost of providing CalWORKs employment services is calculated, the cost is reduced by the amount of the Employment Training Funds appropriated to CDSS by the Legislature.

### FUNDING:

This premise is funded with ETF funds, which are MOE countable.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total <sup>1</sup>	-\$30,000	-\$30,000
Federal	0	0
State	-30,000	-30,000
County	0	0
Reimbursements	0	0

<sup>1</sup> – Non-add item

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## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### DESCRIPTION:

This premise reflects the cost of providing employment and training services to Temporary Assistance for Needy Families (TANF) Program households. As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, all adults receiving TANF funds must work as soon as determined ready, or after being aided for 24 months. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandates the implementation of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program.

The employment services provided to CalWORKs recipients include an up-front job search, assessment, subsidized and unsubsidized employment, job development, work experience, completion of a high school diploma or its equivalent, vocational employment training, and community service.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 1542 (Chapter 270, Statutes of 1997).
- Single-parent families must participate in work, a work activity assignment, or community service for 32 hours per week.
- One or both of the parents in unemployed (U) parent families must participate in work, a work activity assignment, or community service for a combined total of 35 hours per week.
- Non-needy caretakers, and families with a severely disabled parent or child are exempt from work requirements, and for purposes of estimating a statewide average, single parents with a child under six months old are assumed to be exempt.
- All nonexempt single adults not working 32 or more hours per week will attend Job Search. One of the parents in U households, where a combined number of hours worked by both parents does not meet 35 hours of work, will attend Job Search.
- Approximately 27 percent of the cases at intake will be currently working. This is based on January through September 1998 Q5 data.
- Based on phase-in assumptions and data from Los Angeles County's Greater Avenues for Independence (GAIN) Program regarding the number of employments for the period of January through March 1997, it is assumed that in Fiscal Year (FY) 1999-00, 23 percent will become employed from Job Search. Based on January through September 1998 Q5 data, 27 percent in FY 2000-01 will become employed from Job Search.
- Of the percentage employed from Job Search in FY 1999-00, approximately 79 percent will be working while on aid, and 21 percent will terminate from aid. This is based on GAIN County Performance Demonstration Project experience regarding the ratio of grant reductions to terminations resulting from employment. Of the percentage employed from Job Search in FY 2000-01, approximately 90 percent of the people will be working and 10 percent will terminate from aid. This is based on January through September 1998 Q5 data, and on the county's fiscal incentive reports.
- From all other employment services approximately 1.30 percent per month gain employment. The same ratio of terminations and those remaining on aid is applied to this population.

## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### KEY DATA/ASSUMPTIONS (continued):

- One hour of administrative time is assumed for the development of a work plan for all adults working the required number of hours.
- Those participating in Job Search but not obtaining employment for a sufficient number of hours will be assessed and a work plan developed. A total of four and one-half hours of administrative time is assumed for the assessment and the work plan.
- The work plan will determine which of the following activities the participants will attend to fulfill their required numbers of hours.

#### Adult Basic Education (ABE)

- ◆ Twenty-four percent of those not working will attend based on the Job Readiness Survey, using the percentage that could not obtain/retain employment because of the lack of a diploma or an education.
- ◆ All those attending an ABE program will also have to participate in another work activity to fulfill their required numbers of hours.

#### Employment-Related Education and Training

- ◆ Twenty-five percent of those not working will attend based on information from the California Community Colleges Chancellor's Office on FY 1994-95 participation rates for Aid to Families with Dependent Children Program recipients in vocational education classes.
- ◆ Those attending vocational training classes will also have to participate in another work activity to fulfill their required numbers of hours.

#### Community Service

- ◆ Twenty percent of those not working will participate in community service to meet their participation requirements before reaching the 18/24-month time limit. This is based on the Job Readiness Survey that identified recipients that could not obtain/retain employment because of the lack of a job skill.
- ◆ As of March 2000, a percentage of CalWORKs participants will reach their 18/24-month time limits and will move into the community service component.

#### Work Experience/On-the-Job Training (OJT)

- ◆ Thirty-one percent of those not working will participate in some form of work experience or OJT activity for their required hours.

#### Part-Time Employment

- ◆ The estimate assumes 68 percent of the two-parent families and 29 percent of the all other families working on aid will be required to supplement work with community service because their work hours are below the mandatory amount.

#### Mental Health Services

- ◆ All aided adults are eligible for, and may be required to attend, these services regardless of any other activity. One-half hour of county administrative time per month is provided in connection with these services. For estimated caseload and cost of services, see the individual premise description.

## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### KEY DATA/ASSUMPTIONS (continued):

#### Substance Abuse Services

- ◆ All aided adults are eligible for, and may be required to attend, these services regardless of any other activity. One-half hour of county administrative time per month is provided in connection with these services. For estimated caseload and cost, see the individual premise description.
- Cost per Component
  - ◆ An average monthly cost of \$525 for FY 1999-00 and \$730 for FY 2000-01 was used for Job Club activities.
  - ◆ An average monthly cost of \$233 for FY 1999-00 and \$236 for FY 2000-01 was used for Assessment.
  - ◆ An average monthly cost of \$54.90 for FY 1999-00 and \$55.50 for FY 2000-01 was used for Work Plan development.
- An average monthly cost per case of \$118.08 in FY 1999-00 and \$93.17 in FY 2000-01 was used for those recipients who are participating in ABE, employment-related education/training, work experience and community service as needed to fulfill their participation requirements. The cost was based on a weighted average of GAIN costs and participation levels for these components:
  - ◆ \$121.90 for FY 1999-00 and \$124.02 for FY 2000-01 for ABE/concurrent activity (\$67 for General Educational Development and \$54.90 and \$55.50, respectively, for one hour of case management).
  - ◆ \$129.90 for FY 1999-00 and \$132.02 for FY 2000-01 for employment-related education and training/concurrent activity (\$75 for education and training and \$54.90 and \$55.50, respectively, for one hour of case management).
  - ◆ \$149.39 for FY 1999-00 and \$156.86 for FY 2000-01 for work experience/OJT activities (based on current cost, including case management, in similar components of the GAIN Program).
  - ◆ \$54.90 for FY 1999-00 and \$55.50 for FY 2000-01 for community service only and supplementary community service for those employed part time, based on one hour of case management cost at \$54.90 and \$55.50, respectively. One-half hour of this time is for development of work slots based on staffing data from Orange County's General Assistance Work Program and statewide average eligibility worker costs.
  - ◆ \$12 per person for transportation and ancillary is available to all recipients who are participating in work activities each month, based on GAIN costs per month averaged over total GAIN participants.
  - ◆ Participants reaching the 18/24-month time limit shift from other components to community service.
- This premise is reduced by the cost of providing services to recent noncitizen entrants.
- This premise is reduced by the amount of the Wagner-Peyser funds provided as a reimbursement from the Employment Development Department. (See that premise for more information.)
- This premise includes \$1 million for county participation in regional collaboratives.



## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### FUNDING:

The State share (11 percent) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (89 percent) reflects the cost for all other families receiving employment services.

### CHANGE FROM PRIOR SUBVENTION:

Although the FY 1999-00 has been adjusted to reflect updated information and may impact the FY 2000-01 estimate, the FY 1999-00 caseload and funding figures are held at the appropriation levels. Further, the funding has changed to reflect the General Fund cost for the separate state program for two-parent families.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the FY 2000-01 is the effect of the projected decline in the number of adults participating in the CalWORKs Welfare To Work Program.

### EXPENDITURE AND CASELOAD BREAKDOWN:

<u>COMPONENT</u>	1999-00 <sup>1</sup>			2000-01		
	Monthly Cost Per Person	Average Persons Per Month	Annual Cost (in 000's)	Monthly Cost Per Person	Average Persons Per Month	Annual Cost (in 000's)
Job Search	\$525.00	19,268	\$121,388	\$730.00	17,645	\$154,525
Work Plan	54.90	4,824	3,178	55.50	6,728	4,481
Assessment	233.33	16,134	45,175	236.00	14,346	40,607
Employed Part Time	118.08	34,691	49,156	93.17	43,132	48,225
Employment Service and Training	118.08	228,900	324,342	93.17	76,139	135,201
Alcohol and Drug-Case Management	27.45	23,957	7,891	27.75	22,897	7,625
Mental Health-Case Management	27.45	85,447	28,146	27.75	81,665	27,195
Two-Year Community Service	54.90	4,199	2,766	55.50	107,943	70,621
Transportation & Ancillary	12.00	331,847	47,786	12.00	313,508	45,145

<sup>1</sup> - The FY 1999-00 caseload and costs have been held at the appropriation level.

## California Work Opportunity and Responsibility to Kids (CalWORKs) Program Basic

### EXPENDITURE AND CASELOAD BREAKDOWN (continued):

	1999-00	2000-01
Average Monthly Participants <sup>2</sup>	287,058	244,859
Average Monthly Total Cost per Person <sup>3</sup>	\$184.00	\$182.00

<sup>2</sup> - Total includes participants in activities lasting one month or more; Job Club, Employed Part Time, Training and Service and Two-Year Community Service.

<sup>3</sup> - Average Monthly Total Cost is derived by the number of Average Monthly Participants divided by cost of services excluding treatment services.

### EXPENDITURES: <sup>4</sup>

(in 000's)	1999-00	2000-01
	County Admin.	County Admin.
Total	\$628,484	\$532,319
Federal	568,337	457,311
State	60,147	75,008
County	0	0
Reimbursements	0	0

<sup>4</sup> - The Basic amount has been adjusted for Workers' Compensation, Recent Noncitizen Entrants, the Wagner-Peyser Reimbursement and Regional Collaboratives.

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## Substance Abuse Services

### DESCRIPTION:

This premise provides for the treatment of substance abuse for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare To Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandates the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of substance abuse that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time.

The county welfare department and the county alcohol and drug departments are required to collaborate to ensure an effective system is available to provide for evaluations and substance abuse treatment.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Caseload is based on a Center on Addiction and Substance Abuse study, which estimated that 20 percent of recipients have substance abuse problems. It is assumed that 30 percent of the 20 percent (six percent of all adults) will enter treatment.
- The Department of Alcohol and Drug Programs (DADP) provided information regarding the number of CalWORKs recipients currently being served in DADP programs, and the corresponding expenditures. Based on the expenditure and caseload data provided by the DADP, a monthly cost per person of \$448 for substance abuse treatment services was used.
- Although this program was implemented in January 1998, it was assumed that the recipients would not begin receiving these services until March of 1998. The full impact would be realized by June of 1999.

### METHODOLOGY:

The total casemonths of adults assumed to be in need of service were multiplied by the average monthly cost per case. The current funding available through the DADP, based on the baseline expenditures for recipients currently receiving services, is then subtracted from the total estimated need for all recipients to indicate the total funding needed in the Department's budget.

### FUNDING:

This premise is funded 100 percent with State General Fund.

## Substance Abuse Services

### CHANGE FROM PRIOR SUBVENTION:

Although Fiscal Year (FY) 1999-00 has been adjusted to reflect updated information and may influence the FY 2000-01 estimate, the FY 1999-00 caseload and funding figures are held at the appropriation levels.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2000-01 is due to a decrease in caseload.

### CASELOAD:

	1999-00	2000-01
Average Monthly Persons	23,957	22,897

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$60,521	\$54,821
Federal	0	0
State	60,521	54,821
County	0	0
Reimbursements	0	0

## Mental Health Services

### DESCRIPTION:

This premise provides for the treatment of mental or emotional difficulties for California Work Opportunity and Responsibility to Kids (CalWORKs) Program Welfare to Work participants. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) mandates the implementation of the CalWORKs Program. In addition, it mandates, to the extent that funding is available, that counties provide for the treatment of mental or emotional difficulties that may limit or impair a participant's ability to make the transition from welfare to work or retain employment over a long period of time.

Available mental health services must include assessment, case management, and treatment and rehabilitation services.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Caseload is based on an epidemiological catchment area study adjusted for poverty and social security income cases, which estimated that 21 percent of Temporary Assistance for Needy Families Program recipients have a diagnosable mental or substance abuse use disorder.
- Based on Fiscal Year (FY) 1996-97 expenditures and caseload data provided by the Department of Mental Health, an annual cost per case of \$890 for mental health services was used.

### METHODOLOGY:

- The total casemonths were multiplied by the average monthly cost per case.
- The current available funding, based on the baseline expenditures for recipients receiving services in FY 1996-97, was then subtracted from the total estimated need for all recipients to indicate the funding needed in the Department's budget.

### FUNDING:

This premise is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

Although FY 1999-00 has been adjusted to reflect updated information and may impact the FY 2000-01 estimate, the FY 1999-00 caseload and funding figures are held at the appropriation levels.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in the budget year is due to a declining caseload.

## Mental Health Services

### CASELOAD:

	1999-00 <sup>1</sup>	2000-01
Average Monthly Persons	85,447	81,665

### EXPENDITURES:

(in 000's)

	1999-00 <sup>1</sup>	2000-01
	County Admin.	County Admin.
Total	\$57,701	\$54,100
Federal	0	0
State	57,701	54,100
County	0	0
Reimbursements	0	0

<sup>1</sup> - The FY 1999-00 caseload and cost have been held at the appropriation level.

## CalWORKs Conciliation Process

### DESCRIPTION:

This premise reflects the reduction in administrative cost due to modifications to the conciliation process instituted with the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. Assembly Bill 1542 (Chapter 270, Statutes of 1997), established the CalWORKs Program which included a compliance process included as part of the Welfare To Work (WTW) Program.

Within the former Greater Avenues for Independence (GAIN) Program, there was a conciliation process for those who failed to comply with the GAIN Program requirements. The CalWORKs modifications will result in a shorter, less complex process, requiring less administrative time.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Fiscal Year (FY) 1999-00 was held at the appropriation level.
- The caseload is based on the percentage of cases per month that were in the GAIN conciliation process, and the projected number of cases required to participate in the CalWORKs Program. Currently, approximately 16 percent of the cases per month that are required to participate are in the process of conciliation.
- One hour of a WTW worker's administrative time saved per case per month is assumed, at a statewide average of \$54.90 in FY 1999-00, and \$55.50 in FY 2000-01.

### METHODOLOGY:

The total caseload of adults estimated to be in the conciliation process was multiplied by the average monthly cost per case.

### FUNDING:

The state share (11 percent) reflects the savings for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share (89 percent) reflects the savings for all other families receiving employment services.

### CHANGE FROM PRIOR SUBVENTION:

Although FY 1999-00 has been adjusted to reflect updated information and may influence the FY 2000-01 estimate, the FY 1999-00 caseload and funding figures are held at the appropriation levels. Further, the funding has changed to reflect the General Fund savings for the separate state program for two-parent families.



## CalWORKs Conciliation Process

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings in FY 2000-01 is a result of the decline in the projected number of adults in the program.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	41,754	35,612

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$27,508	-\$23,396
Federal	-24,875	-20,921
State	-2,633	-2,475
County	0	0
Reimbursements	0	0

## County Performance Incentives

### DESCRIPTION:

The California Work Opportunity and Responsibility to Kids (CalWORKs) legislation, Assembly Bill 1542 (Chapter 270, Statutes of 1997), provides for fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings, and the diversion of applicants. A legislative steering committee has established the following criteria for performance incentive payments:

- A base exit rate for cases exiting with earnings will be established for each county. This base exit rate will be the average of Fiscal Years (FYs) 1994-95, 1995-96, and 1996-97 or counties that performed above the average may choose one of the three years as the base. Counties will be eligible to receive an incentive payment for recipients exiting the program due to employment when that exit is over the base and has lasted a minimum of six months. Additional payments will be made for exits that continue from months 7 through 12.
- The value of grant savings due to earnings by recipients that result in a reduced aid payment will be determined for each county.
- The value of grant savings due to the diversion of applicants from the program for six months in addition to the diversion payment will be determined for each county.

The incentive payment shall be 75 percent of the federal and state shares of the savings from the exits, grant reductions and diversion. In addition, the remaining 25 percent of the savings shall be allocated to counties that have not realized savings due to those outcomes, but have performed in a manner worthy of recognition.

Counties have reported performance incentives above the FY 1998-99 appropriation and are expected to report incentives in excess of the FY 1999-00 appropriation. The present statutory framework for incentive payments must either be repealed or sharply modified to permit adequate funding for CalWORKs Program needs as well as the performance incentives. There is proposed Trailer Bill language and Budget Bill language to revise the present incentive statute and to prohibit any new incentive payments until prior claims have been paid. Accordingly, the amount proposed for FY 2000-01 is only partial payment for prior years' claims.

### IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Welfare and Institutions Code section 10544.1 provides for fiscal incentive payments to counties for case exits due to employment, grant reductions due to earnings and the diversion of applicants.

### Case Exit Incentives

- Using the actual number of terminations from the AFDC/Family Group/Unemployed (FG/U) Statewide Cash Grant Caseload Movement and Expenditures Report (CA 237) data the number of projected terminations was developed.
- The Medi-Cal Eligibility Data System (MEDS) was used to determine that 57.24 percent of all terminations remain off aid at least six months.
- Of the cases that remain off aid at least six months, 58.57 percent have earnings. This was determined by matching the MEDS terminated cases with the EDD Wage Match file.
- MEDS data and the EDD Wage Match were used to determine the monthly ratio of cases that remained off aid for one through twelve months.

## County Performance Incentives

### KEY DATA/ASSUMPTIONS (continued):

- The average number of cases with earnings that left aid in the counties base year is 11,379. For this estimate, the incentives are realized by the number of cases with earnings that leave aid in excess of the average number of cases that left aid in the base years.
- Based on the Q5 Survey data from January through September 1998, the estimated average grants are FG \$512.88, U \$490.77 in FY 1999-00 and FG 532.16, U \$614.70 in FY 2000-01. The change in the grant levels is a result of the July 2000 cost-of-living adjustment.

### Grant Reduction Incentives

- Based on the Q5 Survey for January through September 1998, 22.4 percent of the family group (FG) caseload and 46.97 percent of the unemployed (U) parent caseload have earnings that are sufficient to decrease the monthly aid payment.
- The Q5 Survey first and third quarter calendar year 1998 data were used to determine the average FG and U parent grants for assistance units with earnings. The average monthly savings per case due to the reported earnings for FG is \$228.86 and U is \$266.02 in FY 1999-00; FG is \$230.32 and U is \$267.37 in FY 2000-01. The changes in the grant levels are a result of the July 2000 cost-of-living increase.

### Diversion Incentives

- Based on actual data reported from counties on the County Administrative Expense Claim, for the period January through June 1999, an average of 25 FG cases and 20 U cases are diverted each month. Of those cases, 23 FG and 19 U cases remain off aid for at least six months in FY 1999-00. It is assumed that the FG and U cases diverted will increase by 50 percent in FY 2000-01, resulting in 35 FG cases and 28 U cases that will remain off aid at least six months.
- The average grants for FY 1999-00 are FG 512.88, U \$590.77, and for FY 2000-01 are FG \$532.16 and U \$614.70. The increase in FY 2000-01 is due to the MAP COLA in July 2000.
- It is assumed the cases will remain diverted for a total of eight months. Counties earn fiscal incentives for cases remaining off six months plus it is assumed the value of the diversion payment is equal to two months of assistance payments.

### METHODOLOGY:

**Case Exit Incentives:** The monthly number of projected terminations was multiplied by the percent of cases off aid six months. The result was multiplied by the percent of cases with earnings that were off aid six months. From the remaining number of cases, the counties average base year number of cases was subtracted to determine the number of cases with earnings that left aid above the base.

Each monthly number of cases with earnings that left aid was multiplied by the ratios of cases that remain off aid beginning with month six through month twelve. The cases that were off six months were multiplied by six to capture the cumulative number of cases for months one through six. The cases were totaled and multiplied by the FG and U grant levels to determine the value of the fiscal incentives for case exits due to employment.

**Grant Reduction Incentives:** The basic FG and U caseloads were multiplied by 22.4 percent and 46.97 percent, respectively, to determine the caseloads with grant reductions due to earnings. Those caseloads were multiplied by the average monthly savings per case to determine the value of the incentive payment for grant reductions due to earnings.

## County Performance Incentives

### METHODOLOGY (continued):

**Diversion Incentives:** The average monthly number of cases that remained diverted for six months was multiplied by the appropriate grant level for each month, then multiplied by six months to determine the diversion payments for the county performance incentives.

The incentive payments for Exits Due To Employment, Grant Reductions Due To Earnings and Diversions are totaled.

### FUNDING:

This premise is funded through the Temporary Assistance for Needy Families (TANF) block grant.

### CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to reflect the most recent data from the Q5 Survey. This premise now uses actual data to determine the number of "Exits Due To Employment," updates the percentages of persons working in the "Grant Reduction due to Earnings" premise, and updates data in the "Diversion" estimate. The funding has changed from TANF block grant and State General Fund sharing 50:50 to 100 percent TANF block grant. The current year is held to the appropriation funding level.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change in FY 2000-01 reflects the change in the projected caseloads and monthly grants as they apply to each component of the incentive payments. FY 2000-01 is reduced by \$244,606,000 to remain within the available block grant funding.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$510,618	\$251,622
Federal	510,618	251,622
State	0	0
County	0	0
Reimbursements	0	0

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## Effect of EDD Wagner-Peyser Reimbursement

### DESCRIPTION:

As required in Assembly Bill 2580 (Chapter 1025, Statutes of 1985), 50 percent of the available federal Wagner-Peyser funds are directed to provide for job services required for California Work Opportunity and Responsibility to Kids (CalWORKs) Program activities.

### IMPLEMENTATION DATE:

This is an ongoing premise, based on an annual appropriation.

### METHODOLOGY:

Funding amounts are identified and provided by the State Employment Development Department (EDD).

### FUNDING:

EDD receives the federal funds for this program and transfers a portion to the California Department of Social Services (CDSS) as a funding source for the CalWORKs Program. The availability of these federal funds reduces CDSS' cost of the CalWORKs Program.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$2,735	\$2,735
Federal	0	0
State	0	0
County	0	0
Reimbursements	2,735	2,735

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## Welfare-to-Work Overlap

### DESCRIPTION:

This premise reflects the federal Temporary Assistance for Needy Families (TANF) and state General Fund (GF) savings for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program as a result of the funding overlap for employment services provided through the Welfare-to-Work (WtW) federal grant. The federal Balanced Budget Act of 1997, Public Law 105-33, authorizes the U. S. Department of Labor (DOL) to provide WtW grants to states and local communities to create additional job opportunities for the hardest to employ recipients of TANF Program benefits. The federal statute generally defines the “hard to employ” as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents’ services and post-employment services.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to DOL in March 1998, and upon the plan’s approval by DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other Welfare To Work (WTW) projects.

California will receive a total of \$367 million of federal WtW formula grant funds from DOL (\$194 million in the first year and \$173 million in the second year) for employment services.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Based on projections provided by EDD, it is assumed that \$104 million of federal WtW funds will be expended locally in Fiscal Year (FY) 1999-00.
- Based on projections provided by EDD, it is assumed that \$148 million of federal WtW funds will be expended locally in FY 2000-01.

### METHODOLOGY:

The projected federal WtW Grant expenditures for FYs 1999-00 and 2000-01 for CalWORKs recipients were assumed to be 85 percent of the total WtW Grant funds received by the State. These amounts were multiplied by 75 percent to determine the savings from the overlap of TANF and state funds with WtW funds.

### FUNDING:

The state share (11 percent) reflects the savings for the State-Only Two-Parent Program, which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State’s maintenance of effort requirement. The federal TANF share (89 percent) reflects the cost for all other families receiving employment services.



## Welfare-to-Work Overlap

### CHANGE FROM PRIOR SUBVENTION:

The decrease in savings in FY 1999-00 is due to updated WtW Grant spending projections from EDD. The funding has also changed to reflect the State General Fund savings for the separate State-Only Two-Parent Program.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings in FY 2000-01 is due to increased WtW Grant funds being used to provide services for CalWORKs participants.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$21,156	-\$94,512
Federal	-19,131	-84,541
State	-2,025	-9,971
County	0	0
Reimbursements	0	0

## Welfare-to-Work Match Overlap

### DESCRIPTION:

This premise reflects the savings to the State General Fund (GF) and the federal Temporary Assistance for Needy Families (TANF) fund for the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, as a result of the funding overlap for employment services provided through the GF match to the Welfare-to-Work (WtW) federal grant. The federal Balanced Budget Act of 1997, Public Law 105-33, authorizes the U. S. Department of Labor (DOL) to provide WtW grants to states and local communities to create additional job opportunities for the hardest to employ recipients of TANF Program benefits. The federal statute generally defines the "hard to employ" as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents' services and post-employment services.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to DOL in March 1998, and upon the plan's approval by DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other Welfare To Work projects.

California will receive a total of \$367 million of federal WtW formula grant funds from DOL (\$194 million in the first year and \$173 million in the second year) for employment services. These grants are required to be matched on a 2:1, federal:state, basis. Use of funds within the CalWORKs Program as a match is permitted as long as the match is expended on eligible recipients under the WtW definitions.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- The GF match for Fiscal Year (FY) 1999-00 is \$25,000,000. In addition, \$5,660,000 in unspent funds from FY 1998-99 is expected to be available.
- The GF match for FY 2000-01 is \$60,000,000. Of this, \$58,997,000 will be used for local assistance and, therefore, will be subject to the WtW match overlap. The remainder will be used for state operations.

### METHODOLOGY:

The amount of GF match for each fiscal year was multiplied by 75 percent to determine the savings from the overlap of CalWORKs services funds with GF match dollars.

### FUNDING:

The state share (11 percent) reflects the savings for the State-Only Two-Parent Program, which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal TANF share (89 percent) reflects the cost for all other families receiving employment services.

## Welfare-to-Work Match Overlap

### CHANGE FROM PRIOR SUBVENTION:

FY 1999-00 has been updated to reflect funds available due to the reappropriation from FY 1998-99. The funding has changed to reflect the GF savings for the separate State-Only Two-Parent Program.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 savings increase as a result of the increased level of WtW matching fund expenditures.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$23,000	-\$44,248
Federal	-20,799	-39,580
State	-2,201	-4,668
County	0	0
Reimbursements	0	0

## **Domestic Violence Training Curriculum**

### **DESCRIPTION:**

This premise reflects the cost of developing a curriculum for domestic violence training for county social services staff. Welfare and Institutions Code section 11495.40 requires the Department to adopt a model curriculum for domestic violence and sexual abuse prevention training based on the statewide domestic violence protocols and in consultation with the Domestic Violence Task Force.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) required the Department to convene a domestic violence task force that included representatives of state and county governments, state and county organizations, domestic violence prevention groups, advocates and service providers. In addition to other duties, the task force identified training standards for staff serving California Work Opportunity and Responsibility to Kids Program recipients. The development of the domestic violence curriculum will ensure that county welfare department staff serving domestic violence victims are trained in the areas of domestic violence and in the use of the protocols as required by state law. The Department has selected the University of California at Davis (U.C. Davis) to develop the curriculum.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Based on the costs for past development of curricula for child welfare services, the Department has estimated that the cost to develop the curriculum will be \$225,000.
- The curriculum will be developed in Fiscal Year (FY) 1999-00.

### **METHODOLOGY:**

The funding for this premise reflects the amount of the contract with U.C. Davis.

### **FUNDING:**

This premise is funded with federal Temporary Assistance for Needy Families block grant funds.

### **CHANGE FROM PRIOR SUBVENTION:**

This premise has been updated to reflect the delay of the development of the curriculum in FY 1999-00.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The premise reflects a one-time cost in FY 1999-00.

## Domestic Violence Training Curriculum

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$225	\$0
Federal	225	0
State	0	0
County	0	0
Reimbursements	0	0

## TANF Pass-Through For State Agencies

### DESCRIPTION:

The purpose of this premise is to provide Temporary Assistance for Needy Families (TANF) Program block grant funds to other state agencies that provide employment and educational services to California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare To Work (WTW) Program participants.

These state agencies are the California Community Colleges (CCC), the California Department of Education (CDE), the Employment Development Department (EDD), Child Development Policy Advisory Committee (CDPAC), and the California Department of Health Services (DHS). A portion of these services are performed at a maintenance of effort (MOE) level and are budgeted through the CCC, CDE, EDD, and other DHS. However, in order to provide the entire CalWORKs WTW Program population with educational and training services, these state departments must also budget additional funds in excess of MOE expenses. Through interagency agreements, the California Department of Social Services (CDSS) requires these other agencies to have State General Fund (GF) expenditures above their MOE levels equal to the amount of TANF funding they receive.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1992. Beginning in Fiscal Year (FY) 1997-98, these contracts were funded under TANF rather than with Title IV-F funds.

### KEY DATA/ASSUMPTIONS:

The contracted amounts of TANF funds provided to other agencies are:

1999-00		2000-01	
CCC -	\$ 8.4 million	CCC -	\$ 8.4 million
CDE -	\$10.0 million	CDE -	\$10.0 million
EDD -	\$ 3.5 million	EDD -	\$ 3.6 million
CDPAC -	\$ 0.1 million	CDPAC -	\$ 0.1 million
		DHS -	\$20.0 million

### METHODOLOGY:

CDSS entered into interagency agreements that specify the amounts of TANF funds to be transferred from CDSS to the contracting departments.

### FUNDING:

This premise is funded 100 percent with TANF funds.

### CHANGE FROM PRIOR SUBVENTION:

In FY 1999-00 there is an increase in the pass-through contracts due to the cost of living adjustments for State employees.

## TANF Pass-Through For State Agencies

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 includes a new contract with DHS for the expenditure of the Out-of-Wedlock Bonus funds that the State received for significantly reducing the number of out-of-wedlock births in California.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$21,969	\$42,125
Federal	21,969	42,125
State	0	0
County	0	0
Reimbursements	0	0

## **Recipient Child Care Training Project**

### **DESCRIPTION:**

This premise reflects the cost to train welfare recipients to become licensed or license-exempt child care providers. The Recipient Child Care Training Project was authorized by the 1997 Budget Act. The California Department of Education (CDE) contracts with the California Department of Social Services (CDSS), through interagency agreements to administer the project.

The primary purpose of the projects is to enhance the quality and safety of child care. The Department projects at least 2,000 child care providers will be trained throughout the State. The project was originally scheduled for completion at the end of Fiscal Year (FY) 1998-99; however, the project was extended through FY 1999-00 in order to complete two full-years of actual project operation.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: 1997 Budget Act.
- Participants must be at least 18 years of age.
- There are 14 projects with 27 counties participating. One project is a 12-county consortium.
- The estimated amount includes both program services and administrative costs.

### **METHODOLOGY:**

The FY 1999-00 estimate is held at the 1998-99 Budget Act Appropriation level. This amount reflects the funding balance for this premise.

### **FUNDING:**

This premise is funded with 100 percent federal Child Care and Development block grant funds as a reimbursement from the CDE.

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The Recipient Child Care Training Project is scheduled for completion at the end of FY 1999-00.



## Recipient Child Care Training Project

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$500	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	500	0

## Employment Retention and Advancement Services Grant

### DESCRIPTION:

This premise provides the Counties of Los Angeles, San Diego and Santa Clara with budget authority to access funds from the federal Employment Retention and Advancement Services (ERAS) grant. The California Department of Social Services applied for the ERAS grant on behalf of these counties. These grant funds will be used primarily for county personnel to travel to and from Washington, D.C. The funds may also be used for salaries, wages, and benefits.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### FUNDING:

This funding is 80 percent federal funds and 20 percent county funds.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$30	\$30
Federal	25	25
State	0	0
County	5	5
Reimbursements	0	0

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## **CalWORKs Hold Harmless Adjustment**

### **DESCRIPTION:**

This premise reflects the additional funds needed to prevent the counties from going below their Fiscal Year (FY) 1997-98 allocation. Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) required that by November 1, 1999, the California Department of Social Services (CDSS) and the County Welfare Directors Association (CWDA) jointly develop a cost based budget methodology for the CalWORKs Employment Services Program in FY 2000-01. In addition, counties are to be funded at their FY 1997-98 Employment Services allocation unless they request less.

### **IMPLEMENTATION DATE:**

This premise will be implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 35, section 15204.3 (a) amended by AB 1111 (Chapter 147, Statutes of 1999).
- The FY 2000-01 estimate compares the statewide model projected need to the FY 2000-01 projected expenditures which uses FY 1997-98 Employment Services allocation as a minimum funding level and compared to the FY 1998-99 actual expenditures adjusted by the cost of doing business.

### **METHODOLOGY:**

The estimate was determined by using FY 1998-99 actual expenditure data and adjusted by the cost of doing business to project FY 2000-01 expenditures. The projected expenditures were then compared to each county's FY 1997-98 Employment Services allocation. The projected expenditures were then increased by the funds needed to hold the counties harmless to the FY 1997-98 Employment Services allocation level.

### **FUNDING:**

The funding is 100 percent TANF federal funds.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This is a new premise.

## CalWORKs Hold Harmless Adjustment

### EXPENDITURES:

(in 000's)

	CalWORKs Single Allocation 1999-00	CalWORKs Single Allocation 2000-01
Total	\$0	\$58,540
Federal	0	58,540
State	0	0
County	0	0
Reimbursements	0	0

## CalWORKs Single Allocation Anticipated Savings

### DESCRIPTION:

This premise reflects anticipated savings from the counties Fiscal Year (FY) 1999-00 California Work Opportunity and Responsibility to Kids (CalWORKs) Program allocations. This premise will be updated in the May Revise process.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10532.
- The FY 1999-00 estimate used actual and projected data to determine anticipated savings in FY 1999-00 for the CalWORKs Program.

### METHODOLOGY:

The anticipated savings for the CalWORKs Single Allocation were determined by analyzing the quarterly percentage change in FY 1998-99 actual expenditures and assuming that in FY 1999-00, counties will continue to develop their program at a lower rate than in FY 1998-99. Therefore, the FY 1998-99 actual expenditures were increased by 12.56 percent, which represents one-half of the percentage increased in FY 1998-99 expenditures. In the May Revise process, the anticipated savings will be updated based on the most current FY 1999-00 expenditures.

### FUNDING:

The savings consist of federal funds.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The anticipated savings are for the current year only.

### EXPENDITURES:

(in 000's)

	CalWORKs Anticipated Savings 1999-00	CalWORKs Anticipated Savings 2000-01
Total	-\$288,962	\$0
Federal	-288,962	0
State	0	0
County	0	0
Reimbursements	0	0

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## CalWORKs Reappropriation

### DESCRIPTION:

This premise reflects projected unspent funds from the counties' Fiscal Year (FY) 1998-99 California Work Opportunity and Responsibility to Kids (CalWORKs) Program allocation as being available in FY 1999-00. Welfare and Institutions Code (W&IC) section 10532, authorizes the rollover of unspent CalWORKs funding through June 2000. This premise allows for a portion of the unspent FY 1998-99 funds to continue to be available to counties for administration and welfare-to-work services in FY 1999-00. The balance of the unspent rollover funds will be available as a fund source in FY 1999-00.

### IMPLEMENTATION DATE:

This premise implemented July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10532.
- The FY 1999-00 estimate is based on the anticipated amount that counties will not spend in FY 1998-99 for the CalWORKs program.

### METHODOLOGY:

The rollover estimate for CalWORKs services, CalWORKs administration, CalWORKs child care, and Recipient Child Care Training Project was determined using actual expenditure data adjusted for anticipated supplemental claims for FY 1998-99 compared to the FY 1998-99 Allocation. This resulted in the amount of unspent funds available for reappropriation for FY 1999-00.

For FY 1999-00, \$699.5 million of unspent reappropriation funds are shown in the TANF tables as a fund source.

### FUNDING:

The reappropriation consists of federal funds and State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

The change is due to updated actual expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise has been updated to reappropriate unspent funds from FY 1998-99 to FY 1999-00 for the CalWORKs Program.



## CalWORKs Reappropriation

### EXPENDITURES:

(in 000's)

	<b>CalWORKs Single Allocation 1999-00</b>	<b>CalWORKs Single Allocation 2000-01</b>
Total <sup>1</sup>	\$202,210	\$0
Federal	202,210	0
State	0	0
County	0	0
Reimbursements	0	0
	<b>CalWORKs Recipient Child Care Training 1999-00</b>	<b>CalWORKs Recipient Child Care Training 2000-01</b>
Total <sup>1</sup>	\$1,000	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	1,000	0
	<b>CalWORKs Services Fund Source 1999-00</b>	<b>CalWORKs Services Fund Source 2000-01</b>
Total	-\$611,912	\$0
Federal	-611,912	0
State	0	0
County	0	0
Reimbursements	0	0
	<b>CalWORKs Child Care 1999-00</b>	<b>CalWORKs Child Care 2000-01</b>
Total	-\$87,650	\$0
Federal	-87,650	0
State	0	0
County	0	0
Reimbursements	0	0

<sup>1</sup> – Non-add items.

## Employment Readiness Demonstration Project

### DESCRIPTION:

This premise displays the estimated local assistance cost of the Employment Readiness Demonstration Project (ERDP). Assembly Bill 1542 (Chapter 270 Statutes of 1997) provides the authority for the Department to conduct demonstration projects.

The purpose of the ERDP is to provide services to the California Work Opportunity and Responsibility to Kids Program recipients who have circumstances that make it extremely difficult for them to secure and maintain an entry-level job. The ERDP seeks to achieve the following objectives:

- Discourage long-term welfare dependency and foster self-sufficiency;
- Enable individuals to participate in the Welfare To Work (WTW) Program who may not have been required to participate due to physical, mental, substance abuse, or domestic violence problems; and
- Enable the participants to receive the support and services necessary to obtain employment.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- The total pilot will consists of 1,530 participants in an experimental group and 1,530 participants in a control group.
- Control and experimental participants are subject to an in-depth screening process to facilitate the evaluation of the demonstration project. In order to achieve the number of necessary participants, the total number screened will be 3,672.
- It is assumed that one-half of the individuals were screened in Fiscal Year (FY) 1998-99 and the other half will be screened in FY 1999-00.
- Each screening requires approximately three hours. The statewide hourly cost of a WTW worker is projected to be \$54.52 in FY 1999-00 and \$55.50 in FY 2000-01.
- With the exception of the in-depth screening cost, the counties have provided the estimated cost of the project.

### METHODOLOGY:

- The total number of participants screened for FY 1999-00 was multiplied by the time needed per screening to determine the total number of hours required.
- The total number of hours was multiplied by the hourly cost of a WTW worker to determine the cost of the screening.
- The cost estimates for the demonstration counties were summed and added to the cost of the in-depth screening in order to determine the total costs.

## Employment Readiness Demonstration Project

### FUNDING:

This premise is 100-percent funded from Temporary Assistance for Needy Families Program federal funds.

### CHANGE FROM PRIOR SUBVENTION:

This premise has been updated for caseload projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in FY 2000-01 is due to counties phasing out their demonstration projects and will not be screening any new participants.

### CASELOAD:

	1999-00	2000-01
Average Monthly Persons	895	895

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$3,330	\$2,575
Federal	3,330	2,575
State	0	0
County	0	0
Reimbursements	0	0

## **Noncustodial Parent Demonstration Project**

### **DESCRIPTION:**

This premise displays the estimated local assistance costs of the Noncustodial Parent (NCP) Demonstration Project. Section 365 of the federal welfare reform law (Public Law 104-193) entitled "Work Requirements for Persons Owing Past-Due Child Support," mandates that states adopt laws requiring individuals to participate in work activities as the court deems appropriate. Since January 1, 1997, state law (section 3558 of the Family Code) permits judges to order NCPs who have children receiving Temporary Assistance for Needy Families (TANF) Program benefits and who are appearing before the court due to the nonpayment of child support to attend job training and seek job placement and vocational rehabilitation services.

The California Department of Social Services (CDSS) has established pilot projects in 13 counties for a period of three years to determine whether providing enhanced services to nonpaying NCPs would increase child support collections. The project involves a cooperative effort at the state and local levels between the contractor, the district attorney's office, the county welfare office, CDSS, and the Employment Development Department.

### **IMPLEMENTATION DATE:**

Implementation of the project takes place in two phases. Phase I (Contra Costa, Los Angeles, Napa, San Benito, San Francisco, Santa Barbara, and Santa Clara) implemented in December 1998. Phase II (Alameda, Fresno, Riverside, San Mateo, Stanislaus, and Ventura) will implement in July 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institution Code section 18205.5.
- The pilot projects may provide the following services: job search, vocation-specific education, and training, intensive case management, transportation and other supportive services.
- The average cost per participant varies depending on each county's program and the participants' duration in the program.
- The number of participants varies depending upon the county. Statewide, the anticipated annual number of participants is 2,195 for Fiscal Years (FYs) 1999-00 and 2000-01 for Phase I plus a carryover of 486 participants from FY 1998-99. An additional 788 participants is anticipated in FY 2000-01 for Phase II.
- It is assumed there will be 2,567 smokeouts from Phase I in FY 1999-00. An additional 922 smokeouts from Phase II in FY 2000-01. Smokeouts are NCPs who are working and have not previously reported their income to child support officials, or they are NCPs who obtain jobs on their own as a result of a demonstration enforcement action (letter, contempt order) prior to being enrolled in the project.
- Based on Los Angeles County's experience with Parents' Fair Share Demonstration Project it is assumed that 36.1 percent of the participants will pay child support after going through employment training.
- A six-month lag time is assumed before collections will occur because the average time in employment training is four months, and it takes approximately two months to have a support order modified.

## **Noncustodial Parent Demonstration Project**

### **KEY DATA/ASSUMPTIONS (continued):**

- The lag time for smokeouts is assumed to be two months in order to modify the support order.
- Based on Los Angeles County's experience with Parents' Fair Share Demonstration Project, it is assumed that the average length of time paying child support is 18 months.
- Based on Los Angeles County's experience with Parents' Fair Share Demonstration Project, it is assumed the average monthly child support paid is \$91.

### **METHODOLOGY:**

- Projected TANF and IV-D administrative costs are based on estimates from the 13 participating counties.

#### **Phase I:**

- To calculate grant savings, the estimated number of participants, 2,195 for FYs 1999-00 and 2000-01, was divided by 12 months to determine the average number of participants per month.
- To determine the number of participants who will pay child support, the resulting number was multiplied by 36.1 percent in both fiscal years.
- The result was then multiplied by 21 to calculate the cumulative number of casemonths (1,387).
- The total number of casemonths (1,387) was then multiplied by the average monthly child support payment of \$91, which resulted in a total of \$126,189.
- For FY 1999-00, \$103,776 was added to the total (\$126,189) for the 36.1 percent of the 486 participants from FY 1998-99 who will pay child support for a full year. In addition, \$509,500 was included for smokeouts resulting in a grand total of \$739,465.
- For FY 2000-01, \$820,411 was added to the total (\$129,189) for the continuation of child support payments from the FY 1999-00 1,387 (casemonths) participants for a full-year cost. In addition, the 36.1 percent of the 486 participants from FY 1998-99 will pay child support for another six months. The smokeouts would add \$2,931,720, resulting in a grand total of \$3,906,259.

#### **Phase II:**

- To calculate grant savings, the estimated number of participants, 788 for FY 2000-01, was divided by 12 months to determine the average number of participants per month.
- To determine the number of participants who will pay child support, the resulting number was multiplied by 36.1 percent in both fiscal years.
- The result was then multiplied by 21 to calculate the cumulative number of casemonths (498).
- The total number of casemonths (498) was then multiplied by the average monthly child support payment of \$91, which resulted in a total of \$45,302.
- For FY 2000-01, \$138,823 was added to the total (\$45,302) for smokeouts resulting in a grand total of \$184,124.

## Noncustodial Parent Demonstration Project

### METHODOLOGY (continued):

#### Phase I and II combined:

- For FY 1999-00, the combined estimated collections of Phase I participants and smokeouts is \$739,465. There are no collections for Phase II.
- For FY 2000-01, the combined estimated collections of Phase I participants and smokeouts (\$2,931,720) and Phase II participants and smokeouts (\$138,823) are \$4,090,384.

### FUNDING:

The project is funded with TANF and Title IV-D funds, with anticipated federal, state and county savings. The employment service activities are funded with 100 percent TANF funds. The Title IV-D eligible activities are funded with 66 percent federal and 34 percent State General Fund. The assistance collections are shared based on the Federal Medical Assistance Percentage. These ratios are reflected as follows:

#### ASSISTANCE:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	46.03%	45.91%	46.31%
County	2.42%	2.42%	2.44%

#### ASSISTANCE Nonfederal:

Federal	0%
State	95.00%
County	5.00%

### CHANGE FROM PRIOR SUBVENTION:

This premise has been updated based on the counties' projected costs and collections. The FY 1999-00 amount has been reduced due to a delayed Phase II startup and a lower participation rate than initially projected.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2000-01 is the effect of the implementation of Phase II of the program.

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish collect, and distribute child support transfer from California Department of Social Services (CDSS) to Department of Child Support Services (DCSS). Therefore, the expenditures below display funding in the CDSS budget in FY 1999-00 and in the DCSS budget in FY 2000-01. For further information see the DCSS description.

## Noncustodial Parent Demonstration Project

### EXPENDITURES:

(in 000's)

#### Item 101 -

CalWORKs Services	1999-00	2000-01
	Services	Services
Total	\$8,579	\$10,806
Federal	8,579	10,806
State	0	0
County	0	0
Reimbursements	0	0

#### Items 101 and 141 -

Child Support Collections and Administration	CDSS 1999-00		DCSS 2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	-\$739	\$1,474	-\$4,090	\$1,738
Federal	-370	973	-2,035	1,147
State	-332	501	-1,851	591
County	-37	0	-204	0
Reimbursements	0	0	0	0

## Cal Learn

### DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services, and fiscal incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal Learn Program. The Cal Learn Program was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill (AB) 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

The program provides services to encourage teen parents to stay in high school or an equivalent program and earn a diploma. Case management activities must meet the standards and scope of the Adolescent Family Life Program. Those standards include case management activities such as arrangement and management of supportive services, development and review of the report card schedule, exemption and deferral recommendations, and recommendations for bonuses and sanctions.

This premise includes the identification of cases, initial informing notice, and referral to orientation. Also included is the administrative time to process the supportive service payment and the county mandated activities performed by the county welfare department. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, and good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal Learn Program expired. Without the waiver authority, the sanctioned Cal Learn Teen Parents are not Temporary Assistance for Needy Families (TANF) Program eligible. This sanctioned caseload is funded with State General Fund (GF).

### IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 11331.7.
- The estimate for Fiscal Year (FY) 1999-00 assumes that 12,827 of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program caseload are pregnant or parenting teens in the Cal Learn Program. The Cal Learn caseload is based on applying a linear regression to the actual Cal Learn caseload as reported for FY 1998-99 on the monthly Stat 45 Reports. The estimate for the FY 2000-01, 12,833, was based on the projected monthly caseload for June 2000.
- The sanctioned caseload, 908, represents 7.08 percent of the total Cal Learn caseload as reported for FY 1998-99 on the monthly Stat 45 Reports.
- Case management costs were calculated at \$1,922 per case per year for all activities performed by the case manager. The \$1,922 rate is based on actual FY 1998-99 expenditures and caseload.
- The hourly eligibility worker (EW) cost is \$50.58 for FY 1999-00, and \$50.86 for FY 2000-01. The EW time was increased from 0.60 to 0.96 hours (58 minutes) per case per month based on actual FY 1998-99 expenditures and caseload.
- The incentives are a \$100 bonus per report card period for satisfactory progress and a \$500 bonus upon graduation. The disincentive is a \$100 sanction per report card period for failure to submit a report card or to make adequate progress.



## Cal Learn

### KEY DATA/ASSUMPTIONS (continued):

- The sanctioned grant cost is \$465 per month. The rate is based on the \$565 Maximum Aid Payment for an Assistance Unit size of 2 (effective July 1, 1999), minus the \$100 sanction.
- For both the current and budget years, the Cal Learn participants' success rate for the \$100 bonus is 6.22 percent, the rate for the \$500 bonus is 1.30 percent, and the rate for the \$100 sanction is 7.08 percent. The rates are based on the actual FY 1998-99 caseload from the Stat 45 Reports.
- The estimate assumes that 20 percent of the total Cal Learn caseload will utilize transportation service at a costs of \$32.25 per month per participant. The utilization rate is based on the FY 1998-99 caseload as reported on the Stat 45 Reports. The cost is based on the FY 1998-99 county expenditure claims.
- The estimate assumes that 4.2 percent of the total Cal Learn caseload will utilize ancillary service at a costs of \$55.94 per month per participant. The utilization rate is based on the FY 1998-99 caseload as reported on the Stat 45 Reports. The cost is based on the FY 1998-99 county expenditure claims.
- Subsidized child care is available for Cal Learn participants attending high school. Please refer to the "Stage One Child Care" premise description for the assumptions and methodology used to develop the estimate.

### METHODOLOGY:

- The case management cost of \$1,922 was multiplied by the Cal Learn caseload to determine the annual cost.
- Administrative time of 58 minutes per case per month times the EW cost per hour was multiplied by the Cal Learn caseload, times 12 months to determine the annual cost.
- Transportation cost of \$32.25 was multiplied by 20 percent of the Cal Learn caseload, times 12 months to determine the annual cost.
- Ancillary service cost of \$55.94 was multiplied by 4.2 percent of the Cal Learn caseload, times 12 months to determine the annual cost.
- The Cal Learn recent noncitizen entrants' costs are identified in a separate premise and are deducted from this premise.
- The bonuses and sanctioned grant percents and costs per case were each multiplied by the total caseload. These costs are displayed separately in Item 101.

### FUNDING:

The Cal Learn costs are 100 percent TANF, except for the sanctioned caseload, which is 100 percent GF.

## Cal Learn

### CHANGE FROM PRIOR SUBVENTION:

The increase in the programmatic costs in the current year reflects the increased costs in transportation, ancillary, and administration, including EW time and case management.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2000-01 is due to an EW hourly rate cost increase.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	12,827	12,833

### EXPENDITURES:

(in 000's)	1999-00		2000-01	
	Services	Bonuses and Sanctioned Grants	Services	Bonuses and Sanctioned Grants
Total	\$35,989	\$7,000	\$36,078	\$7,000
Federal	33,485	1,954	33,571	1,954
State	2,504	5,046	2,507	5,046
County	0	0	0	0
Reimbursements	0	0	0	0

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## TANF/CalWORKs Administrative Costs – Basic

### DESCRIPTION:

This premise reflects the administrative costs for the Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility for Kids (CalWORKs) Program (formerly Aid to Families with Dependent Children). Assembly Bill 1542 (Chapter 270, Statutes of 1997) authorized the CalWORKs Program.

Basic administrative costs reflect county welfare department (CWD) budget requests as modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Effective with Fiscal Year (FY) 1994-95, the budget for county administration is based on the CWDs' anticipated actual expenditures. The projection of actual expenditures is described as basic costs.

### IMPLEMENTATION DATE:

This premise is an annual appropriation.

### KEY DATA/ASSUMPTIONS:

- This estimate is based on the proposed county administrative budgets (PCABs) submitted by counties every March.
- This estimate includes increased costs from FY 1999-00 to FY 2000-01 of 0.55 percent.
- An adjustment of 5.9 percent was made to the estimate for caseload decline.
- The staff development estimate was increased in current year due to increased expenditures.

### METHODOLOGY:

- The FY 1999-00 estimate is being increased due to projected staff development expenditures.
- The FY 2000-01 estimate for CalWORKs administrative costs was adjusted by the projected caseload decline of 5.0 percent.

### FUNDING:

<u>Unit Costs</u>	FY 1999-00	FY 2000-01
Eligibility Worker Cost per Hour		
TANF/CalWORKs	\$50.58	\$50.86

This premise is funded with 100 percent TANF.

**Note:** W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97. Please reference the County MOE Adjustment Premise.

## TANF/CalWORKs Administrative Costs – Basic

### CHANGE FROM PRIOR SUBVENTION:

For FY 1999-00 there is change to reflect the increase in staff development costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The adjustment is due to the net effect of increased costs of 0.55 percent for the cost of doing business and projected caseload decline of 5.0 percent.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$709,028	\$667,986
Federal	651,141	600,590
State	57,887	67,396
County	0	0
Reimbursements	0	0

## **TANF and NAFS Programs – PA to NA Fund Shift**

### **DESCRIPTION:**

The federal share of administrative costs for food stamp activities for Temporary Aid to Needy Families (TANF) Program cases is funded by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS). The amount of TANF Program costs to be charged to the Non-Assistance Food Stamps Program is determined by a special one-month time study of the 15 largest caseload counties. This study is conducted each year by the California Department of Social Services.

### **IMPLEMENTATION DATE:**

This premise implemented in March of 1984.

### **KEY DATA/ASSUMPTIONS:**

Effective July 1, 1999, the new rate to be applied to TANF Program costs is 25.54 percent.

### **METHODOLOGY:**

The portion of TANF Program costs funded by FNS was computed by applying the 25.54 percent rate to the estimated total of family group (FG) and unemployed (U) parent costs less noneligibility worker activities for Fiscal Years (FYs) 1999-00 and 2000-01. The costs for FY 1999-00 have been held to the FY 1999-00 appropriation amount as the monies have already been allocated to the counties.

### **FUNDING:**

Funding is 100 percent federal funds (USDA-FNS).

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The FG and U caseloads are projected to continue to decline in FY 2000-01.

## TANF and NAFS Programs – PA to NA Fund Shift

### CASELOAD:

<b>PAFS</b>	1999-00	2000-01
Average Monthly Caseload	515,894	480,941
Average Monthly Persons	1,490,933	1,389,918

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
<b>TANF – Item 101</b>	County Admin.	County Admin.
Total	-\$175,421	-\$152,156
Federal	-175,421	-152,156
State	0	0
County	0	0
Reimbursements	0	0

### FOOD STAMPS – Item 141

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$175,421	\$152,156
Federal	87,711	76,078
State	61,397	53,255
County	26,313	22,823
Reimbursements	0	0

## **CalWORKs Administrative Cap Adjustment**

### **DESCRIPTION:**

Public Law 104-193 which created the Temporary Assistance for Needy Families (TANF) Program specifies that a 15 percent cap be placed on the administrative expenditures charged to the available TANF grant and counted towards the State's maintenance of effort (MOE) requirement. This premise reflects an adjustment to ensure that California does not exceed the required fifteen percent administrative cap on expenditures. Final federal regulations for the TANF Program, effective October 1, 1999, defines administrative costs subject to the 15 percent cap much broader than the State's previous interpretation of the federal legislation. This may subject the State to a penalty for misuse of TANF funds and reduce allowable MOE expenditures.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: 45 Code of Federal Regulations sections 263.0 and 263.13.
- The administrative cap is applied on a statewide basis rather than county specific.
- Activities considered administrative include eligibility determinations, administrative costs incurred by contractors, automation costs not related to tracking and monitoring of TANF requirements, and costs of fraud and abuse units.

### **METHODOLOGY:**

Actual administrative expenditures for Fiscal Year (FY) 1998-99 were compared to the annual available TANF grant and required MOE. A quarterly adjustment of \$30 million was estimated to keep both the federal and nonfederal share of administrative expenditures within the cap.

### **FUNDING:**

The administrative cap adjustment consists of a shift from federal funds to general fund.

### **CHANGE FROM PRIOR SUBVENTION:**

There is a change due to more current actual expenditures.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The adjustment is due to the comparison between FY 1998-99 actual administrative expenditures, the annual available TANF grant and the required MOE.



## CalWORKs Administrative Cap Adjustment

### EXPENDITURES:

(in 000's)

	CalWORKs Administrative Cap Adj 1999-00	CalWORKs Administrative Cap Adj 2000-01
Total	\$0	\$0
Federal	-90,000	-120,000
State	90,000	120,000
County	0	0
Reimbursements	0	0

## Cal Learn Evaluation

### DESCRIPTION:

This premise reflects the costs of the Cal Learn evaluation in the current year and the costs to complete the final report for the evaluation in the budget year. Cal Learn was authorized under Senate Bill 35 (Chapters 69 and 1252, Statutes of 1993). There are four research counties (Alameda, Los Angeles, San Bernardino, and San Joaquin). These counties have incurred administrative costs by participation in the evaluation. For purposes of the Cal Learn sample, pregnant and parenting teens on the program formerly known as Aid to Families with Dependent Children were assigned to four research conditions (three experimental and one control). The cases in the experimental groups are subject to some of the provisions of the Cal Learn Program. The University of California, Berkeley, performs all data collection activities. The University of California, Los Angeles, performs all of the evaluation activities. Data collected on all samples are being used to evaluate the effectiveness of the changes.

### IMPLEMENTATION DATE:

This premise implemented on November 1, 1994.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11521.7.

#### For Fiscal Year (FY) 1999-00:

- Travel is the only cost component (\$2,620).
- Travel costs were based on the cost of airfare, car rental, mileage, lodging and meals for the coordinators to attend the quarterly conferences.

#### For FY 2000-01:

- There will be no cost components, as the evaluation will be completed.

### METHODOLOGY:

- In FY 1999-00, only the travel component was counted.
- In FY 2000-01, no cost component will be counted.

### FUNDING:

These costs are eligible under the Temporary Assistance for Needy Families Program. The costs are shared 50 percent federal and 50 percent state.

### CHANGE FROM PRIOR SUBVENTION:

FY 1999-00 included only travel costs. In FY 2000-01, there will be no associated costs. The final report on the evaluation is due to the Legislature by July 2000.

## Cal Learn Evaluation

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 1999-00 reflects the travel costs associated with completing the final report. There will be no costs reflected in FY 2000-01, as the evaluation will have been completed.

### EXPENDITURES:

(In 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$3	\$0
Federal	3	0
State	0	0
County	0	0
Reimbursements	0	0

## Temporary Assistance for Needy Families (TANF)/ Foster Care Court Cases

### DESCRIPTION:

This premise reflects the costs for attorney fees resulting from the settlement of lawsuits related to local assistance in accordance with Budget Letter 93-11, and instructions from the Department of Finance. The following cases have an impact in the current and/or budget year.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1996.

### KEY DATA/ASSUMPTIONS:

#### Item 101 – TANF Administration

- Each year the Department has a number of small court cases where a settlement is reached, and costs are incurred. The estimate for the attorney fees relating to these small court cases is based on actual costs that have already been paid on cases settled in current year, and the Legal Division's projection of cases that will be settled and paid before the end of budget year. Included in the small court cases is the public assistance portion of the food stamp court cases, which would be TANF eligible. (The nonassistance portion of those cases is included in Item 141, County Administration, court cases.) For Fiscal Year (FY) 1999-00, \$104,000 was budgeted based on FY 1998-99 expenditure levels. The budget year assumes the same level of spending as the current year.
- The court orders how attorney fees are to be paid and designates funding sources on a case-by-case basis.

#### Item 141 – Foster Care (FC) and Food Stamp Administration

- Bass v. Anderson is a class action lawsuit regarding the Department's overpayment collection policy, as it pertains to the FC Program. The Superior Court of Alameda County ruled against the Department, stipulating that there is no statutory authority to seek reimbursement of public assistance funds. It is anticipated that attorney fees associated with this case will be reimbursed in the current year.
- Each year the Department has a number of small court cases where a settlement is reached, and costs are incurred. The estimate for the attorney fees relating to these small court cases is based on actual costs that have already been paid on cases settled in the current year. Included in the small court cases are the nonassistance portion of the food stamp court cases. For both FYs 1999-00 and 2000-01, \$20,000 is budgeted for the attorney fees associated with these small court cases.

### METHODOLOGY:

The federal and state costs of the individual small court cases were totaled with any large court cases.

## Temporary Assistance for Needy Families (TANF)/ Foster Care Court Cases

### FUNDING:

#### Item 101 –TANF Administration

This is 100 percent TANF funded.

#### Item 141 – FC Administration

All court case legal fees are shared 50 percent federal and 50 percent state.

### CHANGE FROM PRIOR SUBVENTION:

This premise has been revised to reflect anticipated expenditures for FYs 1999-00 and 2000-01.

### REASON FOR YEAR-TO-YEAR CHANGE:

Attorney fees will be paid in all major court cases in the current year.

### EXPENDITURES:

(in 000's)

<b>ITEM 101</b>	<b>1999-00</b>	<b>2000-01</b>
<b>TANF Administration</b>	<b>County Admin.</b>	<b>County Admin.</b>
Total	\$104	\$104
Federal	104	104
State	0	0
County	0	0
Reimbursements	0	0
 <b>ITEM 141</b>	 <b>1999-00</b>	 <b>2000-01</b>
<b>FC and Food Stamp Administration</b>	<b>County Admin.</b>	<b>County Admin.</b>
Total	\$95	\$20
Federal	48	10
State	47	10
County	0	0
Reimbursements	0	0

## **Medi-Cal Services Eligibility**

### **DESCRIPTION:**

This premise reflects the savings associated with shifting eligibility costs from the California Work Opportunity and Responsibility to Kids (CalWORKs) Program to the Medi-Cal Program. The Medi-Cal Services Eligibility program was authorized by Assembly Bill 107 (Chapter 282, Statutes of 1997). This bill mandates the California Department of Social Services to instruct counties to modify the eligibility determination process so that eligibility for Medi-Cal is determined prior to eligibility for the Temporary Assistance for Needy Families (TANF) Program.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

CalWORKs, Food Stamps and Medi-Cal Programs share participants' information to determine individual program eligibility.

### **METHODOLOGY:**

The costs associated with the Medi-Cal Services Eligibility Premise were developed as follows:

#### **Fiscal Year (FY) 1999-00**

The 1999-00 estimate is being held at the appropriation level.

#### **FY 2000-01**

The estimate was determined by using the actual Medi-Cal share of FY 1998-99 Initial Eligibility Determination expenditures, which resulted in savings to CalWORKs and a cost to Medi-Cal. This savings is compared to the FY 1998-99 CalWORKs administrative expenditures, and a ratio is calculated which represents the impact of the common cost to the CalWORKs Eligibility Program. This ratio was then applied to the FY 2000-01 projected CalWORKs county administrative cost.

### **FUNDING:**

This premise is funded 100 percent from the TANF block grant.

### **CHANGE FROM PRIOR SUBVENTION:**

The anticipated savings is due to shift of expenditures to Medi-Cal Program.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Medi-Cal Services Eligibility

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$40,009	-\$51,737
Federal	-36,736	-46,506
State	-3,273	-5,231
County	0	0
Reimbursements	0	0

## Research and Evaluation

### DESCRIPTION:

This premise reflects the costs to develop a research design to ensure a thorough evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. The research and evaluation was authorized by Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997). An independent evaluator or evaluators shall conduct the statewide evaluation. The outcomes derived from these evaluations will be provided through discrete reports issued at regular intervals and will include information regarding process, impacts, and analyses of the costs and benefits of the CalWORKs Program.

The California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to CalWORKs Program implementation are rigorously evaluated and that the findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18230 through 18235.
- AB 1542 mandates the evaluation of the statewide CalWORKs and county demonstration projects such as school attendance, monthly change reporting, etc.

### METHODOLOGY:

#### Fiscal Year (FY) 1999-00

The FY 1999-00 estimate is being held at the appropriation level.

#### FY 2000-01

Estimated costs are associated with AB 1542, which mandates an independent statewide CalWORKs evaluation. The costs include funds to evaluate projects such as school attendance (Merced County), Employment Readiness, Quarterly Reporting Evaluation (AB 510), etc. This estimate is based on updated actual cost information and historical evaluation costs.

### FUNDING:

This premise is funded 100 percent from the Temporary Assistance for Needy Families block grant.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.



## Research and Evaluation

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 is based on updated costs from program staff on the projects.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$6,819	\$7,142
Federal	6,261	6,420
State	558	722
County	0	0
Reimbursements	0	0

## County Maintenance of Effort Adjustment

### DESCRIPTION:

This premise reflects the costs counties are required to expend from their general funds or from the social services account of the County Health and Welfare Trust Fund to support administration of programs providing services to needy families, and the administration of food stamps. Welfare and Institutions Code (W&IC) section 15204.4 authorized the county maintenance of effort (MOE).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 15204.4.
- The individual county requirement for spending will be equal to that amount which was expended by the county for comparative activities during Fiscal Year (FY) 1996-97. Failure to meet this required level will result in a proportionate reduction in funds provided as part of the California Work Opportunity and Responsibility to Kids Program single allocation.

### METHODOLOGY:

- This administrative estimate is determined using actual county expenditure data from FY 1996-97 compared to the estimated cost in FY 1999-00 and FY 2000-01. The programs inclusive for this expenditure data are as follows: Temporary Assistance for Needy Families; Non-Assistance Food Stamps; Greater Avenues for Independence (GAIN); Cal Learn, Health & Safety (for child care); Transitional Child Care Administration; and Non-GAIN Education & Training Program.
- The FY 1996-97 actual county expenditures are \$140,540,757.

### FUNDING:

This is a shift from federal to county funds only.

### CHANGE FROM PRIOR SUBVENTION:

The final FY 1996-97 county expenditures were used to calculate the county MOE adjustment.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 is based on actual final FY 1996-97 expenditures.

## County Maintenance of Effort Adjustment

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-72,301	-80,445
State	0	0
County	72,301	80,445
Reimbursements	0	0

## **CalWORKs Child Care - Stage One Services and Administration**

### **DESCRIPTION:**

This premise reflects the cost of providing Stage One child care to the California Work Opportunity and Responsibility to Kids (CalWORKs) Program single parents who are newly working or beginning participation in a work activity while on aid. Stage One child care is also provided to former CalWORKs recipients who are unable to transfer to Stage Two or Three due to lack of available slots, and to eligible teen parents participating in the Cal Learn Program. Assembly Bill 1542 (Chapter 270, Statutes of 1997), authorized CalWORKs Stage One child care. Child care services for Cal Learn participants was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Child care services are available to CalWORKs families with children under 13 years of age.

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants who have been off aid for two years and the working poor.

### **IMPLEMENTATION DATE:**

The Stage One Child Care premise implemented on January 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 10553, 10554, and 11331.7.
- Child care services are available for single-parent recipients and applicants working or participating in any approved activity, and single-parent recipients transitioning off aid due to increased employment.
- It is assumed that 25 percent will utilize CalWORKs Child Care. The utilization rate is based on actual county Stage One caseload as reported in Fiscal Year (FY) 1998-99, and the projected CalWORKs cases required to participate in the Welfare To Work (WTW) Program.
- Of the single-parent applicants and recipients who are phased-in to the CalWORKs Program and are working 20 or more hours per week 80 percent will go directly to Stage Two or Stage Three. The remaining 20 percent will stay in Stage One because their situations continue to be unstable.
- The remainder of the single-parent applicants and recipients who enter the WTW Program will not be working or will be working less than 20 hours. All of these will go to Stage One for six months. Then, 80 percent will transition to Stage Two or Stage Three. The other 20 percent will remain in Stage One child care because their situations continue to be unstable.
- The former CalWORKs recipients immediately go to Stage Two. However, because slots in Stage Two are not always available, child care services are available in Stage One for single parents who are unable to transfer.

## **CalWORKs Child Care - Stage One Services and Administration**

### **KEY DATA ASSUMPTIONS (continued):**

- The cost of providing child care for single adult cases per month is \$586 in the current year and \$603 in the budget year. The current year cost is based on actual county expenditures in FY 1998-99 and the cases receiving child care as reported on the CW 115 Reports for the same period. The budget year cost is based on the \$586 rate increased by the CDE K-12 cost-of-doing business adjustment of 2.84 percent.
- The state-only child care costs for CalWORKs two-parent families are identified in a separate premise.
- The percentage of Cal Learn teens that utilize child care is 7.6 percent of the total Cal Learn Program caseload, based on the CW 115 Reports for January through June 1999 period. The cost of providing child care per family per month is \$461 in the current year and \$474 in the budget year. The current year cost is based on the CW 115 Monthly Reports of actual child care expenditures for July through December 1998. The budget year cost is based on the \$461 rate increased by the CDE K-12 cost-of-doing business adjustment of 2.84 percent. The child care administrative ratio of 22.96 percent is based on FY 1998-99 actual administrative expenditure claims.

### **METHODOLOGY:**

- The number of single-parent families entering the CalWORKs Program is multiplied by the utilization rate to determine the number of families that will utilize child care. That number is multiplied by the number of months of payments each will receive to determine the total case- months, and then by the cost per family per month.
- The total services cost is then multiplied by 20 percent to determine the administrative cost. The administrative cost is added to the services cost for a total child care cost.
- The cost for the former CalWORKs recipients that were unable to transfer to Stage Two was determined based on actual FY 1998-99 county expenditures. It is assumed that these expenditure levels will remain constant in FY 1999-00 and FY 2000-01.
- The Temporary Assistance for Needy Families (TANF) Cal Learn caseload was multiplied by the 7.6 percent needing child care. The result is annualized and the \$462 cost per case is applied to the total for the annual cost. The administrative costs are estimated by multiplying the 22.96 percent administrative ratio to the total Cal Learn child care services cost.

### **FUNDING:**

Stage One child care is funded with 100 percent TANF.

### **CHANGE FROM PRIOR SUBVENTION:**

Although the current year has been adjusted to reflect updated information and may impact the budget year estimate, the current year Stage One single-parent caseload and funding are held at the appropriation levels. This premise was changed to include the Cal Learn Child Care, which was increased due to caseload and administrative costs.

## CalWORKs Child Care - Stage One Services and Administration

### REASON FOR YEAR-TO-YEAR CHANGE:

Stage One caseload and cost decreases reflect the net adjustment to the child care utilization rate from 30 percent to 25 percent and the child care cost increase from \$511 to \$586. There is a slight increase in the Cal Learn child care due to administrative costs.

### CASELOAD:

	1999-00 <sup>1</sup>	2000-01
	Average Monthly Cases	Average Monthly Cases
Single Parent Cases	53,843	44,241
Children (1.7 x cases)	91,533	75,210
Cal Learn Cases	900	901
Children (1.7 cases)	1,530	1,532

### EXPENDITURES:

(in 000's)	1999-00 <sup>1</sup>		2000-01	
	Services	County Admin.	Services	County Admin.
Total	\$336,448	\$67,438	\$324,606	\$65,073
Federal	336,448	67,438	324,606	65,073
State	0	0	0	0
County	0	0	0	0
Reimbursements	0	0	0	0

<sup>1</sup> - FY 1999-00 caseload and costs for the single parents and former recipients are held at the 1999 Budget Act Appropriation levels. The increase reflects the inclusion of the Cal Learn Child Care Program in this premise.

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## State-Only Child Care for CalWORKs Two-Parent Families

### DESCRIPTION:

This premise reflects the cost of providing state-funded Stage One child care to the California Work Opportunity and Responsibility to Kids (CalWORKs) two-parent families who are participating in approved CalWORKs activities. CalWORKs Stage One child care was authorized by Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) and provides eligibility for CalWORKs child care services when both parents in a two-parent family are simultaneously participating in required CalWORKs activities.

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants who have been off aid for two years and the working poor. Child care services are available to CalWORKs families with children under 13 years of age.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 10553 and 10554.
- Based on the Q-5 County Data Survey for January – June 1998, it is assumed that 46,085 CalWORKs Unemployed Parent cases are working or in a work activity 20 hours or more per week.
- Child care services are assumed necessary for 25 percent of the two-parent cases working or participating in any approved activity for more than 20 hours per week.
- The cost of providing child care per family per month is \$586 in the current year and \$603 in the budget year. The current year cost is based on actual county expenditures for Fiscal Year (FY) 1998-99. The budget year cost is based on the \$586 rate increased by the CDE K-12 cost-of-doing business adjustment of 2.84 percent.

### METHODOLOGY:

- The number of two-parent families entering the CalWORKs Program and working more than 20 hours per week was multiplied by the utilization rate to determine the number of families that will utilize child care. That number is multiplied by the number of months of payments each will receive, and then by the cost per family per month.
- The total services cost is then multiplied by 20 percent to determine the administrative cost. The administrative cost is added to the services cost for a total child care cost.



## State-Only Child Care for CalWORKs Two-Parent Families

### FUNDING:

This premise is funded 100 percent with State General Fund. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement.

### CHANGE FROM PRIOR SUBVENTION:

The current year caseload and funding are held at the appropriation level.

### REASON FOR YEAR-TO-YEAR CHANGE:

The decreases in caseload and cost reflect two-parent families transitioning to Stage Two child care.

### CASELOAD:

	1999-00 <sup>1</sup>	2000-01
	Average Monthly Cases	Average Monthly Cases
State-Only Two-Parent Families (cases)	13,361	3,751
Children (1.7 x cases)	22,713	6,377

### EXPENDITURES:

(in 000's)	1999-00 <sup>1</sup>	2000-01
	Services/Administration	Services/Administration
Total	\$98,311	\$32,573
Federal	0	0
State	98,311	32,573
County	0	0
Reimbursements	0	0

<sup>1</sup> - FY 1999-00 costs and caseload are held at the 1999 Budget Act Appropriation levels.

## State-Only Cal Learn Child Care

### DESCRIPTION:

This premise reflects the costs of providing child care services to sanctioned teen parents participating in the Cal Learn Program. The Cal Learn Program, including child care services, was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal Learn Program from a five-year federal demonstration project to a permanent program.

Federal law (Public Law 104-193) prohibits the use of Temporary Assistance to Needy Families (TANF) funds to teen parents who do not participate in school or another approved activity. Cal Learn teen parents who do not attend school, do not turn in a report card or receive poor grades are subject to a \$100 sanction. Because the Cal Learn Program operated under a five-year federal waiver as a California Work Pays Demonstration Project, the program was not affected by the federal rules. However, effective March 31, 1999, the federal waivers for the Cal Learn Program expired. In order to provide support services to sanctioned teens, the cost for the State-Only Cal Learn Child Care Program is funded with General Fund (GF).

### IMPLEMENTATION DATE:

This premise implemented on April 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- The percentage of teens that utilize child care is 7.6 percent of the total Cal Learn Program caseload based on the CW 115 Reports of actual caseload utilizing child care for July through December 1998.
- The cost of providing child care per family per month is \$461 in the current year and \$474 in the budget year. The current year cost is based on the CW 115 Monthly Reports of actual child care expenditures for July through December 1998. The budget year cost is based on the \$461 rate increased by the California Department of Education K-12 cost-of-doing business adjustment of 2.84 percent. The child care administrative ratio of 22.96 percent is based on the actual administrative expenditure claims for Fiscal Year 1998-99.
- The Cal Learn Program child care costs for the recent noncitizen entrants are identified in a separate premise and are deducted from this premise.

### METHODOLOGY:

- The 7.6 percent utilization rate was applied to the total sanctioned Cal Learn cases, 827, to determine the projected child care need. The result was then multiplied by the child care cost to arrive at the annual cost.
- The administrative costs are estimated by applying the 22.96 percent administration ratio to the total cost of child care services.

## State-Only Cal Learn Child Care

### FUNDING:

This premise is funded with 100 percent GF and is countable towards the State's maintenance of effort under the TANF federal requirements.

### CHANGE FROM PRIOR SUBVENTION:

This premise was increased for caseload and cost projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The child care cost per case increased from \$461 to \$474.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	69	69

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$468	\$482
Federal	0	0
State	468	482
County	0	0
Reimbursements	0	0

## **Child Care Facility – East Los Angeles**

### **DESCRIPTION:**

This premise reflects a one-time State General Fund (GF) expenditure for a contract with Los Angeles County for costs associated with the construction of a child care center as part of the East Los Angeles Civic Center convention.

Los Angeles County will transform the East Los Angeles Civic Center into a center to provide numerous services to area residents. As part of the center, a 4,000-square foot child care center will be constructed and made available to local family residents who are using the center's services.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Budget Act of 1999.
- The amount is based on the funding provided in the Budget Act for that purpose.
- This is one-year funding for Fiscal Year (FY) 1999-00.

### **METHODOLOGY:**

- The FY 1999-00 estimate reflects cost for the contract with Los Angeles County.

### **FUNDING:**

The cost is 100 percent GF. Because the center will provide services to the local area residents of Los Angeles County, and is not limited to the California Work Opportunity and Responsibility to Kids clients, the state share of cost is not countable toward the State's maintenance of effort.

### **CHANGE FROM PRIOR SUBVENTION:**

There is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This premise reflects a one-time cost in FY 1999-00.

## Child Care Facility – East Los Angeles

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
Total	\$400	\$0
Federal	0	0
State	400	0
County	0	0
Reimbursements	0	0

## Child Care – Trustline

### DESCRIPTION:

This premise reflects the costs for providing a state-mandated registration program that includes fingerprinting of certain child care providers and applicants as well as searching the California Criminal History System and the California Child Abuse Central Index. The Trustline Program was authorized by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) mandates that a second set of fingerprints is required to be used to search the records of the Federal Bureau of Investigation (FBI). In addition, SB 933 required fingerprint and search requirements to be funded for certain fee-exempt providers.

Trustline registration is required for child care providers in Stage One child care compensated by the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. This premise also includes the reimbursement cost for Stage Two/Three child care applications referred by the California Department of Education (CDE) for processing and licensed fee-exempt providers.

The Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities. Additionally, CCLD contracts with Sylvan/Indentex, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to DOJ in a matter of seconds.

### IMPLEMENTATION DATE:

Initial program implementation was September 1, 1995. Implementation for the second set of fingerprints, as required by SB 933, was January 1, 1999.

### KEY DATA ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- The projected number of Trustline applications in Fiscal Year (FY) 1999-00 is 31,248 (including 8,624 from CDE). The caseload is based on the number of applications from July 1998 through June 1999.
- The projected number of Trustline applications in FY 2000-01 is 29,343 (including 10,017 from CDE). The CDSS and CDE caseload is annualized based on the June 2000 caseload forecast.
- Providers who are currently licensed, or who are an aunt, uncle or grandparent of the child, are exempt from Trustline requirements. In addition, providers whose services are used less than 30 days are not required to register in Trustline.
- The DOJ contract estimate is based on the following activity/costs: \$32 fingerprinting/criminal history file, \$10 expedite fee, \$15 Child Abuse Index Search, and \$24 for the mandatory FBI fingerprints (\$81 total).

## **Child Care – Trustline**

### **KEY DATA/ASSUMPTIONS (continued):**

- The resource and referral contract cost estimate is based on \$25 for network access.
- A private vendor contract for Live Scan fingerprint technology will cost \$14 per application.
- The Trustline premise includes an estimate for fee-exempt licensed family homes and group homes. The estimate includes costs related to FBI fingerprint and Live Scan which are mandated under SB 933. Caseload was based on actual fee-exempt caseload from CCLD.

### **METHODOLOGY:**

- The cost of each contract is the product of the projected number of providers times the cost per activity.
- The county administration estimate was determined by using the actual FY 1998-99 expenditures divided by the number of actual DOJ applications. The FY 1999-00 county administration estimate was held at the Appropriation level. The average cost per case was applied to the projected caseload for FY 2000-01.

### **FUNDING:**

The state share (11 percent) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share (89 percent) reflects the cost for all other families. General Fund is provided for Trustline fingerprint activities to licensed fee-exempt family child care homes, foster family agency certified homes, foster family homes, group homes with six or fewer residents, small family homes and transitional housing placement programs as a result of SB 933 requirements.

### **CHANGE FROM PRIOR SUBVENTION:**

Although the current year has been adjusted to reflect updated information and may impact the budget year estimate, the current year caseload and funding are held at the appropriation levels.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The budget year reflects a decrease in caseload and county administration costs.

## Child Care – Trustline

### CASELOAD:

	1999-00 <sup>1</sup>	2000-01
Average Monthly CDSS and CDE Trustline Caseload	2,604	2,445
Average Monthly Foster Care Licensed Fee- Exempt Trustline Caseload	5,943	5,943

### EXPENDITURES:

(in 000's)

	1999-00 <sup>1</sup>		2000-01	
	County Admin.	Contracts	County Admin.	Contracts
Total	\$4,228	\$6,761	\$2,915	\$6,147
Federal	3,763	2,820	2,609	2,286
State	465	3,058	306	2,978
County	0	0	0	0
Reimbursements	0	883	0	883

<sup>1</sup> - FY 1999-00 funding and caseload are held at the FY 1999-00 Budget Act Appropriation level.



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## Self-Certification

### DESCRIPTION:

This premise reflects the administrative costs associated with assuring that license-exempt child care providers self-certify that they meet the minimum health and safety standards required by Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1994), AB 2560 (Chapter 1268, Statutes of 1994), and AB 1542 (Chapter 270, Statutes of 1997). Effective October 1, 1998, license-exempt providers must meet the following minimum standards: the prevention and control of infectious diseases; building and physical premises standards; and minimum health and safety training appropriate to the provider setting. License-exempt child care providers who are aunts, uncles, and grandparents are excluded from these requirements.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1996.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11324.
- Data from the Department of Justice reflecting the number of applications for Trustline fingerprinting in Fiscal Year (FY) 1998-99 were utilized to project that approximately 19,326 aid recipients and applicants would utilize the self-certification process in FY 2000-01.
- The statewide average cost per provider, \$76.44, is based on actual FY 1998-99 county expenditures, \$1,110,653, divided by total Trustline applications processed for the same period (14,529).

### METHODOLOGY:

The administrative cost for notification of new recipients was developed utilizing the statewide average trustline applications based on actual FY 1998-99 county expenditures for self-certification divided by total Trustline applications processed for the same period. This cost per self-certification is applied to the projected number of Trustline applications for FY 1999-00 and FY 2000-01.

### FUNDING:

The state share (11 percent) reflects the cost for the State-Only Two-Parent Program which was implemented October 1, 1999. The State-Only Two-Parent Program is countable toward the State's maintenance of effort requirement. The federal Temporary Assistance for Needy Families Program share (89 percent) reflects the cost for all other families.

### CHANGE FROM PRIOR SUBVENTION:

Although the current year has been adjusted to reflect updated information and may impact the budget year estimate, the current year caseload and funding figures are held at the appropriation levels.

### REASON FOR YEAR-TO-YEAR CHANGE:

Budget year reflects a decrease in caseload and cost per case.

## Self-Certification

### CASELOAD:

	1999-00 <sup>1</sup>	2000-01
Average Annual Caseload	23,220	19,326

### EXPENDITURES:

(in 000's)

	1999-00 <sup>1</sup>	2000-01
	County Admin.	County Admin.
Total	\$2,494	\$1,477
Federal	2,220	1,322
State	274	155
County	0	0
Reimbursements	0	0

<sup>1</sup> - FY 1999-00 funding and caseload are held at the FY 1999-00 Budget Act Appropriation level.

## **CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDBG**

### **DESCRIPTION:**

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds transferred to the California Department of Education (CDE) for Stage Two of the California Work Opportunity and Responsibility to Kids (CalWORKs) Program child care. The transfer of TANF funds is authorized by the Annual Budget Act. The CalWORKs Child Care Program was authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services (CDSS). Stage Two is funded through CDE and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants that have been off aid for two years and the working poor.

### **IMPLEMENTATION DATE:**

This premise was implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- The transfer of TANF funds to Child Care and Development block grant (CCDBG) funds will be completed by CDSS and will represent an increase to the total amount of CCDBG funds available for CalWORKs child care
- Based on the model for CalWORKs Stage One Child Care, child care services are available for recipients and applicants working or participating in any approved activity, and those transitioning off aid due to increased employment.
- It is assumed that 25 percent will utilize CalWORKs Child Care. The utilization rate is based on actual county child care caseload as reported in Fiscal Year (FY) 1998-99, and the projected CalWORKs cases required to participate in the Welfare To Work (WTW) Program.
- Of the applicants and recipients who are phased-in to the CalWORKs Program and are working 20 or more hours per week, 80 percent will go directly to Stage Two or Stage Three. The remaining 20 percent will stay in Stage One because their situations continue to be unstable.
- The remainder of the applicants and recipients who enter the WTW Program will not be working or will be working less than 20 hours. Eighty percent will transition to Stage Two or Stage Three. The other 20 percent will remain in Stage One because their situations continue to be unstable.
- The former CalWORKs recipients immediately go to Stage Two.
- The cost of providing child care per family is \$586 in the current year and \$603 in the budget year. The current year cost is based on actual Stage One child care costs for FY 1998-99. The budget year cost is based on the \$586 rate increased by the CDE K-12 cost-of-doing business adjustment of 2.84 percent.

## CalWORKs Child Care Fund Transfer to CDE for Stage Two as CCDBG

### METHODOLOGY:

- The number of families entering Stage Two child care is multiplied by the child care utilization rate (25 percent). The result is then multiplied by the child care cost rate and annualized.
- The total services cost is multiplied by 25 percent to determine the administrative cost at CDE. The administrative cost is added to the services cost for a total child care cost.
- In FY 1999-00, \$257.3 million was appropriated for transfer to CDE for Stage Two child care. The transfer amount remains at the FY 1999-00 appropriation level.
- In FY 2000-01, the total estimated cost of Stage Two child care is \$693.9 million. There is \$136.3 available from CDE funds for Stage Two. Ten percent of the Stage Two need, \$69.4 million, is held in a Stage One/Stage Two Reserve. Therefore, the amount of TANF funds transferred to CDE for Stage Two is the remaining need of \$442.8 million.

### FUNDING:

Funds are 100 percent TANF.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The cost increase in FY 2000-01 reflects: 1) adjustments to the two-parent families transitioning to Stage Two child care; 2) the net change in the child care utilization rate from 30 percent to 25 percent and the child care cost increase from \$511 to \$603; and, 3) the additional amount as a result of holding in a reserve only 10 percent of the total Stage Two need (\$69.4 million).

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$257,300	\$442,840
Federal	257,300	442,840
State	0	0
County	0	0
Reimbursements	0	0

## **CalWORKs Child Care Stage One/Stage Two Reserve**

### **DESCRIPTION:**

This premise reflects the amount of Temporary Assistance for Needy Families (TANF) Program funds established in reserve to be used for Stage One and Stage Two California Work Opportunity and Responsibility to Kids (CalWORKs) Program child care. The reserve of TANF funds is authorized by the Annual Budget Act. The CalWORKs Child Care Program was authorized by Assembly Bill 1542 (Chapter 270, Statutes of 1997).

The CalWORKs Child Care Program is administered in three stages. Stage One is funded through the California Department of Social Services. Stage Two is funded through the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in a work activity while on aid, and participants transitioning off aid due to increased employment. Stage Three is also funded through CDE and serves participants that have been off aid for two years and the working poor.

### **IMPLEMENTATION DATE:**

This premise was implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 10553 and 10554.
- In Fiscal Year (FY) 1999-00, \$270.7 million was appropriated as a reserve for Stage One and/or Stage Two child care.
- From the FY 1999-00 Stage One and/or Stage Two reserve, \$50 million was transferred to CDE.
- In FY 2000-01, the total estimated cost of Stage One child care is \$424.2 million. The total estimated cost of Stage Two Child Care is \$693.3 million.

### **METHODOLOGY:**

- For FY 1999-00, the appropriated reserve amount was reduced by the \$50 million transferred to CDE, and the amount shifted to the Stage One/Stage Two Reserve for the budget year (\$45.4). The current year reserve funds are available for Stage One or Two as needed.
- In FY 2000-01, the amount of the reserve for Stage One/Stage Two includes a hold back of ten percent of the total estimated cost of Stage Two child care, \$69.4 million and an additional \$81.0 million over and above the need.
- TANF funds will be transferred as needed for Stage One child care. TANF funds will be transferred to the Child Care and Development block grant (CCDBG) as needed for Stage Two child care.

### **FUNDING:**

Funds are 100 percent TANF.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

## CalWORKs Child Care Stage One/Stage Two Reserve

### REASON FOR YEAR-TO-YEAR CHANGE:

The reserve reflects a reduced percentage amount of the total estimated cost for Stage One and Stage Two.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$175,274	\$150,411
Federal	175,274	150,411
State	0	0
County	0	0
Reimbursements	0	0

## **Juvenile Assessment/Treatment Facilities**

### **DESCRIPTION:**

This premise reflects the costs associated with benefits and services granted to children in county juvenile assessment and residential treatment facilities. These payments are authorized under the Comprehensive Youth Services Act (CYSA) (Chapter 270, Statutes of 1997).

The Emergency Assistance (EA) Program provided federal funding for benefits and services granted to children and families in emergency situations, with eligibility restricted to once in a 12-month period. Phase I was the implementation of the probation component, providing funding for nonfederal foster care for wards and county juvenile assessment and residential treatment facilities. Federal Action Transmittal ACF-AT-95-9 prohibited the use of EA funds for children removed due to delinquent behavior as of January 1996, eliminating the probation component. However, the implementation of the Temporary Assistance for Needy Families (TANF) block grant allows for the provision of funds for the children in county juvenile assessment and residential treatment facilities.

In response to the need to develop a program for probation youth formerly funded by the EA Program, the Legislature developed the CYSA of 1997.

### **IMPLEMENTATION DATE:**

This premise implemented in Fiscal Year (FY) 1997-98.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 18220 through 18226.
- Probation placement and administrative costs are based on actual expenditures for Federal Fiscal Year (FFY) 1995. The probation component funding level is not subject to increase based on additional claiming or caseload changes.
- Administrative expenditures are limited to 15 percent of total grant costs.
- This premise shall remain operative until October 1, 2003.

### **METHODOLOGY:**

Probation and administrative costs are level funded and are based upon actual expenditures for FFY 1995.

### **FUNDING:**

Funding is 100 percent TANF block grant funds.

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.



## Juvenile Assessment/Treatment Facilities

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$168,713	\$168,713
Federal	168,713	168,713
State	0	0
County	0	0
Reimbursements	0	0

## Temporary Assistance for Needy Families (TANF) for Probation Camps

### DESCRIPTION:

The Budget Act of 1997 provided that \$32.7 million in support of juvenile camps, forestry camps and ranches formerly funded with State General Fund (GF) through the California Youth Authority (CYA), be transferred to the California Department of Social Services for probation placements in these facilities. Probation placements are those children whose behavior results in removal from the home and a judicial determination that the child must remain in out-of-home care for more than 72 hours.

This premise instead uses Temporary Assistance for Needy Families (TANF) Program funding for this purpose, creating equivalent savings to the GF.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 18222 through 18223.
- TANF funding for this premise is consistent with the GF appropriation formerly contained within the CYA budget (Item 5460-101-001) in support of the operation of county camps and ranches during Fiscal Year 1996-97. The funding level is not subject to increase based on additional claiming or caseload changes.

### FUNDING:

Funding is 100 percent TANF block grant funds.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$32,700	\$32,700
Federal	32,700	32,700
State	0	0
County	0	0
Reimbursements	0	0

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## Kinship Guardianship Assistance Payment Program

### DESCRIPTION:

This premise reflects the costs and savings associated with the new Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Kin-GAP Program is authorized by Senate Bill (SB) 1901 (Chapter 1055, Statutes of 1998).

The Kin-GAP Program is intended to enhance family preservation and stability by recognizing that many children are in long-term, stable placements with relatives and that these placements are the permanent plan for the child. Dependencies can be dismissed with legal guardianship granted to the relative, and there is no need for continued governmental intervention in the family life through ongoing, scheduled court and social services supervision of the placement.

Under SB 1901, a dependent child being cared for by a relative may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. SB 1901 required the Department to establish a Kin-GAP rate by July 1, 1999, in collaboration with the County Welfare Directors' Association, the California Partnership for Children, the California State Association of Counties, and other key representatives as identified by the Department.

Pursuant to Assembly Bill (AB) 1111, (Chapter 147, Statutes of 1999), the rate paid on behalf of children eligible for a Kin-GAP payment shall equal 100 percent of the basic foster care rate for children placed in a licensed or approved home as specified at subdivisions (a) to (d), of Welfare and Institutions Code (W&IC) section 11461. AB 1111 authorizes that when an infant is living with a parent who receives a Kin-GAP benefit, the rate paid to the relative on behalf of the parent shall include an amount for the care and supervision of the child. AB 1111 also changed the effective date of the Kin-GAP Program to January 1, 2000.

### IMPLEMENTATION DATE:

The program will become effective January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11373.
- A Kin-GAP rate equal to 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home has been established by the Department, as specified in AB 1111.
- The Kin-GAP rate shall be paid utilizing the applicable regional per-child California Work Opportunity and Responsibility to Kids (CalWORKs) grant from federal funds received as part of the Temporary Assistance for Needy Families (TANF) Program block grant. The balance of Kin-GAP shall be paid in equal portions by the State and counties.
- The Department shall seek any federal funds available for implementation; however, implementation of the Kin-GAP Program shall not be contingent upon receipt of any federal funding.
- There are 49,327 relative placements as of July 1999 (Child Welfare Services/Case Management System information). Of the total, 77 percent, or 38,179 cases have been in placement at least 12 months.
- There are currently 837 Aid to Families with Dependent Children-Foster Care (AFDC-FC) relative placement cases, which have been in placement at least 12 months and are receiving a specialized care payment. It is assumed that only those cases not receiving a specialized care payment may opt to shift to the Kin-GAP program.

## Kinship Guardianship Assistance Payment Program

### KEY DATA/ASSUMPTIONS (continued):

- Seventy percent of the relative placements receive an average foster care grant payment ranging from \$393 to \$553, with Infant Supplement cases receiving an additional \$362; the remaining 30 percent receive an average CalWORKs Program payment of \$210.18 in Fiscal Year (FY) 1999-00 and \$217.80 in FY 2000-01. Average CalWORKs payment data are updated for budget year to reflect cost-of-living adjustments (COLAs).
- Of the cases receiving a foster care grant payment, it is assumed that 40 percent of all cases will opt into the Kin-GAP Program due to the removal of court involvement. Further, it is assumed that 75 percent of cases receiving a CalWORKs payment will opt into the Kin-GAP Program to receive the higher grant payment equal to the foster family home payment.
- Projected Kin-GAP caseload reflects 3.3 percent growth in FY 1999-00 and 1.6 percent growth in FY 2000-01.
- Foster care permanent placement savings of \$216 per case per month and eligibility worker savings of \$52.80 per case per month will be realized as a result of cases exiting the Foster Care Program. Case savings data are updated for budget year to reflect county administration unit cost and cost of doing business changes.
- Of the CalWORKs cases, 27.2 percent (based on July 1998 through June 1999 actual child-only caseload) are child-only cases that will result in administrative savings.
- CalWORKs administrative savings of \$37.53 in FY 1999-00 and \$37.73 in FY 2000-01 per case per month will be realized as a result of child-only cases currently receiving a CalWORKs payment moving to the new Kin-GAP Program.
- For those cases (17 placements) that are not eligible for CalWORKs but would be eligible for the Kin-GAP Program, a State-Only Kin-GAP Program will be established.
- County administrative functions of the Kin-GAP Program would parallel those of the Adoption Assistance Program and would additionally require initial eligibility and annual redetermination costs similar to those incurred in the CalWORKs Program. Counties will be responsible for determining what each placement would have received under the CalWORKs Program had they not opted for the Kin-GAP Program.
- This estimate assumes no Title IV-E funding.

### METHODOLOGY:

- To estimate the cost of the Kin-GAP Program, the total number of cases assumed to join the program are multiplied by the applicable Kin-GAP rate by age category. The cases are assumed to be phased in during January through June 2000 (9,783 cases) with full implementation effective July 1, 2000 (19,880 cases). State and county expenditures associated with cases previously receiving a CalWORKs payment or foster care grant payment are considered to be eligible for the State's TANF maintenance of effort requirement.

## **Kinship Guardianship Assistance Payment Program**

### **METHODOLOGY (continued):**

- To estimate the Foster Care Program savings, the number of AFDC-FC Program cases are multiplied by the applicable foster care grant payment cost by age. The AFDC-FC cases are assumed to be phased in during January through June 2000 (5,351 cases) with full implementation effective July 1, 2000 (10,873 cases). Child Welfare Services (CWS) administrative savings are calculated using the permanent placement cost per case. Foster Care administrative savings are calculated using the eligibility worker cost per case.
- To estimate the CalWORKs Program savings, the number of cases receiving a CalWORKs grant are multiplied by the CalWORKs grant payment of \$210.18 in the current year and \$217.80 in the budget year. The CalWORKs cases are assumed to be phased in during January through June 2000 (4,432 cases) with full implementation effective July 1, 2000 (9,007 cases). The grant payment savings are updated for budget year to reflect the COLA effective July 1, 2000. Administrative savings are calculated by multiplying the number of child-only cases by the continuing cost per case of \$37.53 per month in the current year and \$37.73 per month in the budget year.
- Kin-GAP Program administrative costs are estimated at \$9.61 per case per month plus an initial eligibility cost of \$173.59. An annual redetermination cost of \$173.59 will also be incurred in future years. Administrative and eligibility costs are increased by the estimated cost of doing business percentage in budget year.

### **FUNDING:**

The Kin-GAP rate shall be paid utilizing the applicable regional per-child CalWORKs grant from federal funds received as part of the TANF block grant program grant. The balance of Kin-GAP shall be paid 50 percent state, 50 percent county. Kin-GAP administrative costs will be paid using 100 percent TANF funds. For State-Only Kin-GAP cases, grant and administrative costs will be shared 50 percent state, 50 percent county. The grant and administrative savings in the CalWORKs Program are 100 percent TANF.

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate has been revised to reflect the Kin-GAP rate equal to 100 percent of the basic foster care rate for children placed in a licensed or approved foster family home, an updated CalWORKs cost per case, and updated administrative cost data and caseload assumptions. In addition, the estimate reflects the impact of the Infant Supplement Payment on the Kin-GAP expenditures.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The program is effective January 1, 2000.

## Kinship Guardianship Assistance Payment Program

### EXPENDITURES:

(in 000's)

#### Total Kin-GAP Program

Costs	1999-00	2000-01
(Item 101)	Grant	Grant
Total	\$15,584	\$108,573
Federal	7,195	51,952
State	4,194	28,309
County	4,195	28,312
Reimbursements	0	0

#### Foster Care Savings

(Item 101)	1999-00	2000-01
	Grant	Grant
Total	\$-8,538	-\$59,472
Federal	-4,412	-30,541
State	-1,651	-11,572
County	-2,475	-17,359
Reimbursements	0	0

#### CalWORKs Savings

(Item 101)	1999-00	2000-01
	Grant	Grant
Total	-\$3,261	-\$23,541
Federal	-3,261	-23,541
State	0	0
County	0	0
Reimbursements	0	0

#### CWS Administration

Savings (Item 151)	1999-00	2000-01
	County Admin.	County Admin.
Total	\$-4,046	-\$29,227
Federal	-2,023	-14,614
State	-1,416	-10,229
County	-607	-4,384
Reimbursements	0	0

## Kinship Guardianship Assistance Payment Program

### EXPENDITURES (continued):

(in 000's)

#### CalWORKs Administrative

	1999-00	2000-01
Savings	Administration	Administration
(Item 101)		
Total	-\$130	-\$1,109
Federal	-130	-1,109
State	0	0
County	0	0
Reimbursements	0	0

#### Foster Care Administrative

	1999-00	2000-01
Savings (Item 141)	County Admin.	County Admin.
Total	-\$989	\$-7,092
Federal	-495	-3,546
State	-346	-2,482
County	-148	-1,064
Reimbursements	0	0

#### Kin-GAP Administration

	1999-00	2000-01
(Item 141 and Item 101)	County Admin.	County Admin.
Total	\$2,027	\$5,831
Federal	2,022	5,826
State	3	3
County	2	2
Reimbursements	0	0



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## **Title IV-E Child Support Collections**

### **DESCRIPTION:**

This premise reflects the federal share of Foster Care (FC) collections that reduces the federal share of FC expenditures.

For Fiscal Year (FY) 1999-00, the FC collections continues to be shown within the California Department of Social Services (CDSS) child support program collections and are abated against the FC Net Payments expenditures. For FY 2000-01, the FC collection activities transfer to the new Department of Child Support Services (DCSS). The DCSS is then responsible for sending the federal share of FC collections back to CDSS, which is the single state agency for the Title IV-E program, so the federal government can be reimbursed.

### **IMPLEMENTATION DATE:**

This premise will be implemented July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

It is assumed for FY 2000-01 that FC share of collections represents 5.97 percent, which is based on actual data reported on the CS 800 Reports, Summary Reports of Child and Spousal Support Payments for FY 1998-99.

- The federal participation of FC collection is assumed to be 48.88 percent.
- The Federal Medical Assistance Percentage (FMAP) is assumed to be 51.67 percent for the period July 1, 2000, through September 30, 2000, and 51.25 percent for the period October 1, 2000, through June 30, 2001.

### **METHODOLOGY:**

For each child support premise the FY 2000-01 FC share of collections percentage (5.97 percent) was applied to the estimated collections. The result was multiplied by the federal participation rate of 48.88 percent for each premise. The FMAP rate was then applied. The results for each premise were summed up to a total of -\$9,401,000.

The funding is shown as a pass through in the DCSS budget located within the auxiliary tables under Child Support Administration and as an expenditure reduction in the CDSS budget under FC Net Payments.

### **FUNDING:**

This premise is funded at the FMAP rate.

### **CHANGE FROM PRIOR SUBVENTION:**

This premise will not take effect until July 1, 2000.

## Title IV-E Child Support Collections

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	-\$9,401
Federal	0	-9,401
State	0	0
County	0	0
Reimbursements	0	0

## Foster Family Home – Basic Costs

### DESCRIPTION:

This premise reflects expenditures associated with children eligible for foster care payments who are placed in foster family homes (FFHs) or certified family homes of foster family agencies (FFAs).

The Foster Care (FC) Program provides out-of-home care on behalf of children meeting the following criteria: removal from the physical custody of a parent or guardian as a result of a judicial determination that remaining in the home would be contrary to the child's welfare and adjudication as a dependent or ward of the court; residing with a nonrelated legal guardian; voluntarily placed by a parent or guardian; relinquished for the purposes of adoption; or placed pursuant to the Indian Child Welfare Act.

FFHs are those homes licensed by either state or county community care licensing agencies that provide 24-hour care and supervision in a family environment for a maximum of six children. FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461 and 11463.
- The caseload presumed to be eligible for federal FC program benefits is based on data from the last six months, January to June 1999, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC), which reports FFAs within the FFH caseload count. Federal cases are projected to account for 84 percent of total FFH and FFA placements, representing a one percent decrease from the prior subvention projection.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the last eight-month period, November 1998 to June 1999. The projected federal grant is \$707.54, and the nonfederal grant is \$779.25.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.55 to 51.67 percent on October 1, 1999, and will decrease to 51.25 percent on October 1, 2000.
- The federally eligible percentage of expenditures is based on actual expenditure data from October 1998 to June 1999. The estimated percentage of eligible federal expenditures is 47.67 for July through September 1999, increasing to 47.79 percent in October 1999, and decreasing to 47.37 percent in October 2000 to reflect the changes in the FMAP.

### METHODOLOGY:

- FFH basic costs are the product of projected federal and nonfederal caseloads and the respective average grant, as identified above. Adjustments to account for expenditures that are federally ineligible are then made.
- In order to display the total impact of the Adoptions Initiative, prior year cumulative savings were added back to basic costs.

## Foster Family Home – Basic Costs

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP, for those cases meeting eligibility criteria. This includes children removed pursuant to a court order and deprived of parental support – those that were either in receipt of or eligible for Aid to

Families with Dependent Children Program assistance, based on July 1995 criteria, during the month in which the petition for removal was filed. Funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent state and 60 percent county.

### CHANGE FROM PRIOR SUBVENTION:

This estimate incorporates the most recent data available, providing for updated caseload projections, a one-percent decrease in federally eligible cases, and revised average grants.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects adjustments for caseload growth and a decrease in the FMAP rate.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	68,638	69,735
Federal Caseload	57,978	58,905
Nonfederal Caseload	10,659	10,830

### EXPENDITURES:

(in 000's)	1999-00	2000-01
<b>FFH-BASIC COSTS</b>	<b>Grant</b>	<b>Grant</b>
Total	\$622,547	\$636,859
Federal	247,180	251,331
State	150,146	154,210
County	225,221	231,318
Reimbursements	0	0
<b>FFH-FEDERAL</b>	<b>\$519,751</b>	<b>\$531,960</b>
Federal	247,180	251,331
State	109,027	112,251
County	163,544	168,378
Reimbursements	0	0

## Foster Family Home – Basic Costs

### EXPENDITURES (continued):

<b>FFH-NONFEDERAL</b>	\$102,796	\$104,899
Federal	0	0
State	41,119	41,959
County	61,677	62,940
Reimbursements	0	0

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## Group Home – Basic Costs

### DESCRIPTION:

This premise reflects the costs associated with children eligible for foster care payments who are placed in group homes (GHs) or certified family homes of foster family agencies (FFAs).

The Foster Care (FC) Program provides out-of-home care on behalf of children meeting the following criteria: removal from the physical custody of a parent or guardian as a result of a judicial determination that remaining in the home would be contrary to the child's welfare and adjudication as a dependent or ward of the court; residing with a nonrelated legal guardian; voluntarily placed by a parent or guardian; relinquished for the purposes of adoption; or placed pursuant to the Indian Child Welfare Act.

GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11462 and 11463.
- The caseload presumed to be eligible for federal FC program benefits is based on data from the last six months, January 1999 to June 1999, as reported by the counties on the FC Caseload Movement and Expenditures Report (CA 237 FC), which reports FFAs within the GH caseload count. Federal cases are projected to account for 76 percent of total GH placements, which is consistent with the prior subvention projection.
- Federal and nonfederal average grant computations utilized caseload and expenditure data reported by the counties on the CA 237 FC during the last eight-month period, November 1998 to June 1999. The projected federal grant is \$3,054.07, and the nonfederal grant is \$3,682.37.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.55 to 51.67 percent on October 1, 1999, and decreases to 51.25 percent on October 1, 2000.
- The federally eligible percentage of expenditures is based on actual expenditure data from October 1998 to June 1999. The estimated percentage of eligible federal expenditures is 47.67 for July through September 1999, increasing to 47.79 percent in October 1999 and decreasing to 47.37 percent in October 2000 to reflect the changes in the FMAP.

### METHODOLOGY:

- Basic costs are the product of federal and nonfederal casemonths and the respective average grant, as identified above. Adjustments to account for expenditures that are federally ineligible are then made.
- The GH caseload has been reduced for those placements participating in the Wrap Around Services Pilot program.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the FMAP, for those cases meeting eligibility criteria. This includes children removed pursuant to a court order and deprived of parental support – those that were either in receipt of or eligible for Aid to Families with Dependent Children Program assistance, based on July 1995 criteria, during the month in which the petition for removal was filed. Funding for the nonfederal program and the nonfederal share of federal program costs is defined in statute at 40 percent state and 60 percent county.



## Group Home – Basic Costs

### CHANGE FROM PRIOR SUBVENTION:

This estimate incorporates the most recent data available, providing for updated caseload projections and revised average grants.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects adjustments for caseload growth and the FMAP rate decrease.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	19,220	19,641
Federal Caseload	14,941	15,574
Nonfederal Caseload	4,280	4,067

### EXPENDITURES:

(in 000's)	1999-00	2000-01
<b>GH – BASIC COSTS</b>	<b>Grant</b>	<b>Grant</b>
Total	\$736,656	\$750,467
Federal	261,502	270,944
State	190,062	191,809
County	285,092	287,714
Reimbursements	0	0
<b>GH – FEDERAL</b>	<b>\$547,552</b>	<b>\$570,757</b>
Federal	261,502	270,944
State	114,420	119,925
County	171,630	179,888
Reimbursements	0	0
<b>GH – NONFEDERAL</b>	<b>\$189,104</b>	<b>\$179,710</b>
Federal	0	0
State	75,642	71,884
County	113,462	107,826
Reimbursements	0	0

## Seriously Emotionally Disturbed Children – Basic Costs

### DESCRIPTION:

This premise reflects the costs associated with children placed in the Seriously Emotionally Disturbed (SED) Program. Assembly Bill (AB) 3632 (Chapter 1747, Statutes of 1984) and AB 882 (Chapter 1274, Statutes of 1985) authorized the SED Program as a separate out-of-home foster care component. Eligible participants are children designated as SED by the California Department of Education (CDE).

Senate Bill 485 (Chapter 722, Statutes of 1992) modified the program by eliminating any California Department of Social Services participation in funding “for profit” facilities, shifting responsibility for the cost of children in those facilities to the CDE and local education agencies.

Payments may be made to SED children placed in privately operated residential facilities licensed in accordance with the Community Care Facilities Act, and shall be based on rates established in accordance with Welfare and Institutions Code (W&IC) sections 11460 to 11467, inclusive. Most SED children are placed primarily in group home psychiatric peer group Rate Classification Levels 12 through 14; however, some children are placed in foster family homes or foster family agencies. As there is no court adjudication, these children are eligible only for nonfederal foster care program benefits.

### IMPLEMENTATION DATE:

The effective date is July 1, 1987.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 18350-18356.
- Casemonths are consistent with the trend caseload projections.
- Average grants are based on actual expenditure and caseload data from the last six months, January to June 1999, to reflect the most recent data. The projected average grant for Los Angeles County is \$3,547.86, and for the remaining counties it is \$4,762.62.

### METHODOLOGY:

SED costs are the product of casemonth projections and the computed average grant. Program costs are the aggregate of separate projections for Los Angeles County and the remaining 57 counties.

### FUNDING:

SED costs are shared 40 percent state and 60 percent county.

### CHANGE FROM PRIOR SUBVENTION:

The estimate reflects updated caseload projections and revised average grants.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects adjustments for caseload growth.

## Seriously Emotionally Disturbed Children – Basic Costs

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	1,149	1,188

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$59,718	\$61,345
Federal	0	0
State	23,887	24,538
County	35,831	36,807
Reimbursements	0	0

## Federal Family Preservation Expansion Savings

### DESCRIPTION:

This premise reflects the savings associated with foster care as the result of the incremental increase in the federal family preservation grant.

The Omnibus Budget Reconciliation Act of 1993 established a capped entitlement program under Title IV-B to provide funding for family preservation and community-based family support services. In addition, the State Family Preservation Program provides counties the opportunity to use foster care assistance funds to provide services to families. Funding used for family preservation services is expected to result in savings to the Foster Care (FC) Program.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- Savings are reflected for the yearly incremental grant increase to the Federal Family Preservation Program. The savings result from the assumption that 50 percent of the cases served would avoid nine months of foster care. It was assumed that 37 percent of Federal Family Preservation and Support Program funds would be spent on family preservation (percent of support costs divided into total expenditures for administrative and support services).

### METHODOLOGY:

- For Fiscal Year (FY) 1999-00, the Federal Family Preservation and Support incremental grant increase amount was multiplied by the percentage to be spent on family preservation to calculate the amount for the family preservation component ( $\$2,986,000 \times 0.37$ ).
- To develop the average number of cases served through the Federal Family Preservation Program, this amount was divided by the average cost per case ( $\$1,104,820 \div \$3,939$ ). The average number of cases was divided in half to determine the number of the successful cases, and then the number of successful cases was developed into casemonths (792 total casemonths).
- For FY 2000-01, the Federal Family Preservation and Support grant increased by \$1,087,838. Of this amount, 37 percent is available for the Family Preservation component ( $\$1,087,838 \times 0.37$ ). The cost per case was divided into the amount available for Family Preservation to calculate the average cases ( $\$402,500 \div \$3,939$ ). It is assumed half of all cases receiving Family Preservation will be successful in avoiding nine months of foster care ( $102 \text{ cases} \div 2$ ). The remaining successful cases were then developed into casemonths (288 casemonths).
- The casemonths were spread between group home and foster family home federal/nonfederal components. The average monthly cost per case and sharing ratios were applied to the casemonths to determine the total savings under the FC Program.

## Federal Family Preservation Expansion Savings

### FUNDING:

Federal foster care grant savings are 48 percent federal Title IV-E. Nonfederal savings are shared at 21 percent State General Fund and 31 percent county funds.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The previous grant amount for State Family Preservation Program savings has been included in basic administration effective FY 1999-00. The savings reflected in this premise is only for the incremental grant increase for FY 2000-01.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$1,016	-\$369
Federal	-486	-176
State	-212	-77
County	-318	-116
Reimbursements	0	0

## Supportive and Therapeutic Options Program Savings

### DESCRIPTION:

This premise reflects savings associated with foster care as a result of the Supportive and Therapeutic Options Program (STOP). STOP is designed to provide expanded day services to families with at-risk children and youth that cannot access services through current mental health services or other funding mechanisms. The program is designed to provide supportive and therapeutic services in order to prevent placement in out-of-home care. It also provides aftercare services to facilitate a successful transition to home from out-of-home placements.

### IMPLEMENTATION DATE:

This premise will implement on January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16500.
- The savings reflected are only for aftercare services, which is 50 percent of the total STOP population. Of the children receiving aftercare services, it is assumed 25 percent will be successful in avoiding four months of foster care.
- The anticipated program implementation for 50 percent of the counties is January 1, 2000, with the remaining counties implementing on July 1, 2000.

### METHODOLOGY:

The total STOP population was multiplied by 50 percent to determine the number of children that would receive aftercare services ( $4,430 \times 0.50$ ). This number was then multiplied by 25 percent to determine the number of successful cases ( $2,215 \times 0.25$ ).

In Fiscal Year (FY) 1999-00, implementation was anticipated for half of the counties beginning January 1, 2000. Therefore, to determine the number of cases per month, the number of successful cases was divided in half and then by 12 [ $(553 \times 0.50) \div 12$ ]. The remaining successful counties expected to implement on July 1, 2000, were divided by 12 to get the cases per month ( $553 \div 12$ ). The total successful cases were converted into casemonths and multiplied by the average cost per placement to determine the total savings resulting from this program ( $414 \times \$2,881$ ).

For FY 2000-01, the program savings is based on 100 percent county participation beginning July 1, 2000 ( $2,215 \times 0.25$ ). The successful cases were developed into casemonths and then multiplied by the average cost per case to calculate savings to foster care ( $2,208 \times \$3,049$ ).

### FUNDING:

Federal foster care grant savings are 48 percent federal Title IV-E. Nonfederal savings are shared at 21 percent State General Fund and 31 percent county funds.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

## Supportive and Therapeutic Options Program Savings

### REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase reflecting a full year of implementation and a cost per case increase.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$1,193	-\$6,733
Federal	-570	-3,218
State	-249	-1,406
County	-374	-2,109
Reimbursements	0	0

## **Adoptions Initiative**

### **DESCRIPTION:**

This premise reflects the costs and savings associated with the 1996 Adoptions Initiative (Assembly Bill 1524, Chapter 1083, Statutes of 1996). It was introduced in order to maximize adoption opportunities for children in public foster care and reduce the foster care population.

Each year, more children enter public foster care than leave it, resulting in a growing foster care population. This increase is primarily due to children remaining in foster care on a long-term basis instead of reunifying with their parents or being adopted. For those children unable to return to their families, adoption is a significantly more desirable outcome than growing up in foster care.

One of the components of the Adoptions Initiative is to facilitate the adoption of foster children by funding performance agreements and increasing the number of adoption social workers. There are two main reasons for this proposal.

First, data show that counties served by county adoption agencies have a much lower adoptive placement rate for every 1,000 foster care children than those served by the California Department of Social Services (CDSS). Since CDSS is funded at its combined workload need and unit cost level, and county agencies are not, this is an indication that county adoption agencies do not have the resources to keep up with the demand of placing adoptable foster care children.

Second, the statewide basic cost appropriation for counties that choose to operate their own programs has not been adjusted historically for unit cost changes.

Through their performance agreements, counties will be funded at their justified levels, but will have, as a condition, the requirement of increasing the number of adoptive home placements. In developing these agreements, CDSS has established a baseline of placements against which counties will need to improve.

Another of the initiative's components is to increase CDSS' efforts to improve the effectiveness of the statewide public adoption service delivery system. This is expected to result in the increased productivity of each adoption caseworker.

By increasing productivity levels for both CDSS and county agencies, the Adoptions Initiative will increase the number of adoptive home placements to over 6,200 in Fiscal Year (FY) 1999-00, and over 6,600 in FY 2000-01.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1996.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code sections 361.5, 366.21, 366.26, 16100, 16122, and 16501.

#### **Adoptions Program**

For FY 2000-01, counties will be funded at the agreed-upon performance agreement level with a cost-of-doing-business (CODB) increase.



## Adoptions Initiative

### METHODOLOGY:

Item 101

#### Foster Care (FC) Program

- Average foster family home grants were applied to the projected casemonths avoided based on the estimated placements.

#### Adoption Assistance Program (AAP)

- The average adoption assistance grants were applied to 85.0 percent (based on current recipient characteristics) of the projected casemonths avoided based on the estimated placements.

Item 151

#### Adoptions Program

- The actual unit cost for adoptions case workers was computed by taking actual FY 1998-99 total program costs (with a 3.93 percent CODB increase), and dividing by the number of actual full-time equivalents for each county. The resulting unit cost for each county was then multiplied by the number of workers in their performance agreements to arrive at a total adoption budget. The difference between the total budget and the adoptions basic amount is the amount identified that will meet counties' workloads and resource needs (\$37.5 million total, \$19.0 million General Fund (GF)).

#### Child Welfare Services (CWS)

- The permanent placement (PP) avoidance cost per case was based on the FY 1998-99 PP basic cost divided by the FY 1998-99 PP average monthly caseload. This cost was then applied to the cumulative casemonths avoided based on the projected number of adoptive placements (See Item 101).

### FUNDING:

For the FC Program, federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the federal medical assistance percentage (FMAP), which is 51.55 percent as of October 1, 1998, and will increase to 51.67 percent on October 1, 1999, and will decrease to 51.25 percent on October 1, 2000. Funding for the nonfederal share of federal program costs is prescribed in statute at 40 percent state and 60 percent county. Nonfederal program costs are funded 40 percent state and 60 percent county.

AAP federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the FMAP, which is 51.55 percent as of October 1, 1998, and will increase to 51.67 percent on October 1, 1999, and will decrease to 51.25 percent on October 1, 2000. Funding for the nonfederal share of federal program costs is prescribed in statute at 75 percent state and 25 percent county. Nonfederal program costs are funded 75 percent state and 25 percent county.

For the Adoptions Program, federally eligible costs, based on the AAP discount rate, are funded with 50 percent Title IV-E and 50 percent GF. Nonfederal costs are funded with 100 percent GF.

For CWS, federally eligible costs, based on the foster care discount rate, are funded with 50 percent Title IV-E and 50 percent GF. Nonfederal costs are funded with 70 percent GF and 30 percent county funds.

## Adoptions Initiative

### CHANGE FROM PRIOR SUBVENTION:

There were increases in the unit cost for adoptions social workers.

### REASON FOR YEAR-TO-YEAR CHANGE:

The costs and savings were updated based on the most recent projections of adoptive placements for FYs 1999-00 and 2000-01.

The Item 151 – The savings portions to CWS and FC, and the costs in AAP will be reflected through FY 2004-05.

### EXPENDITURES:

(in 000's)

#### ITEM 101 –

#### FOSTER CARE

	1999-00	2000-01
	Grant	Grant
Total	-\$58,727	-\$88,158
Federal	-23,186	-34,585
State	-14,214	-21,427
County	-21,327	-32,146
Reimbursements	0	0

#### ITEM 101-AAP

	1999-00	2000-01
	Grant	Grant
Total	\$36,458	\$54,728
Federal	15,456	23,062
State	15,751	23,750
County	5,251	7,916
Reimbursements	0	0

## Adoptions Initiative

### EXPENDITURES (continued):

(in 000's)

ITEM 151-CWS	1999-00	2000-01
	County Admin.	County Admin.
Total	-\$15,590	-\$26,206
Federal	-6,470	-10,876
State	-6,384	-10,731
County	-2,736	-4,599
Reimbursements	0	0

### ITEM 151 - ADOPTIONS PROGRAM

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$33,686	\$37,532
Federal	16,820	18,542
State	16,866	18,990
County	0	0
Reimbursements	0	0

## **Court Cases – Bass v. Anderson**

### **DESCRIPTION:**

This premise reflects the costs associated with funding the provision of retroactive payments to providers involved in the Bass v. Anderson lawsuit.

Bass v. Anderson was a class action lawsuit regarding the Department's overpayment collection policy, as it pertained to the Foster Care (FC) Program. Specifically, the plaintiffs contended that the Department does not have statutory or regulatory authority to seek reimbursement of nonfraudulent overpayments from foster family home providers.

The Superior Court of Alameda County ruled against the Department, stipulating that there is no statutory authority to seek reimbursement of public assistance funds. Further, the court directed the Department to 1) discontinue the policy and practice of attempting to recoup overpayments; 2) to rescind all actions to collect such overpayments; and 3) to notify petitioners of this action.

### **IMPLEMENTATION DATE:**

This premise became effective in Fiscal Year (FY) 1998-99.

### **KEY DATA/ASSUMPTIONS:**

- Data regarding outstanding claims for FC overpayment reimbursements was collected via a telephone survey of all counties.
- A total of 15 counties have pending claims totaling \$88,763.

### **METHODOLOGY:**

- The reimbursement amount assumes all pending claims (\$88,763) will be reimbursed in the current year.

### **FUNDING:**

Normally, funding is provided under Title IV-E of the Social Security Act for those cases meeting federal eligibility criteria and with state and county funds for those in the nonfederal program. However, overpayments are assessed and collected due to ineligibility for federal FC Program benefits; therefore, there is no federal financial participation. Consequently, costs are shared 40 percent state and 60 percent county.

### **CHANGE FROM PRIOR SUBVENTION:**

Assumptions for this premise are based on total outstanding reimbursements vs. outstanding claims. This premise assumes that all administrative costs associated with processing overpayment claims have been incurred and reimbursed in FY 1998-99.

## **Court Cases – Bass v. Anderson**

### **REASON FOR YEAR-TO-YEAR CHANGE:**

All reimbursements are expected to occur within the current year.

### **EXPENDITURES:**

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$89	\$0
Federal	0	0
State	36	0
County	53	0
Reimbursements	0	0

## Foster Care July 1999 COLA

### DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to those children placed in Foster Family Home (FFH), Foster Family Agency (FFA) and Group Home (GH) placements. The total grant payment for all FFH, FFA, and GH placements will increase by the California Necessities Index (CNI) on July 1, 1999. This COLA is authorized pursuant to Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

FFHs are those homes licensed by either state or county community care licensing agencies that provide 24-hour care and supervision in a family environment for a maximum of six children. GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents and find homes, temporary, or permanent placements for children who require more intensive care.

Pursuant to AB 1111 (Chapter 147, Statutes of 1999), all counties for Fiscal Year (FY) 1999-2000 shall receive an increase in state participation for the basic rate of the entire percentage CNI adjustment provided for FFHs. Senate Bill (SB) 955 (Chapter 634, Statutes of 1999), provides a rate increase equal to the CNI, effective July 1, 1999, for all group home programs with a rate on June 30, 1999, which was higher than the Standardized Schedule of Rates for its Rate Classification Level (RCL).

### IMPLEMENTATION DATE:

The increase to the foster care (FC) rate schedules will be effective July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(d), 11462(g), 11463(e) and 11462.07.
- The actual CNI of 2.36 percent becomes effective July 1, 1999.
- Total FC basic expenditures for FY 1999-00 are estimated at \$1.3 billion. The estimated costs are calculated by multiplying the projected federal and nonfederal GH and FFH caseload by the average respective grants based on the eight month period November 1998 – June 1999. The FY 2000-01 caseload and expenditures are impacted by a 2.2 percent caseload growth rate.
- The federally eligible percentage of FC expenditures is based on actual expenditure data from October 1998 to June 1999. The estimated percentage of eligible federal expenditures is 47.67 for July through September 1999, increasing to 47.79 percent in October 1999 and decreasing to 47.37 in October 2000, to reflect the change in the FMAP.
- Due to the legislative change, for FY 1999-2000 all counties shall receive the full CNI percentage increase and all GH providers shall be eligible for the COLA. As a result, total expenditures increase by 2.36 percent.
- Seriously Emotionally Disturbed (SED) Program placements are placed in GH, FFH and FFA facilities, resulting in a rate increase to SED expenditures.
- The increase to FFH rates will result in an increase to Adoption Assistance Program (AAP) costs, as AAP rates are negotiated based on the Foster Care Program FFH rates.
- The increase to FC rates will also result in an increase to the Emergency Assistance (EA) program costs as EA rates are based on FC Program rates.

## Foster Care July 1999 COLA

### METHODOLOGY:

To estimate the cost of implementing the COLA, projected FC, AAP, and EA expenditures are increased by 2.36 percent. The difference between projected costs before and after the application of the rate increase reflects the impact of the COLA on FC, AAP and EA costs.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those FC and AAP cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage (FMAP) of 51.55 percent, which increased to 51.67 percent effective October 1, 1999, and decreases to 51.25 percent effective October 1, 2000. Nonfederal FC costs are funded 40 percent state and 60 percent county. Nonfederal AAP costs are funded 75 percent state and 25 percent county.

Prior to October 1, 1999, EA-FC costs were funded 70 percent state and 30 percent county, and EA-General Assistance (GA) costs were funded 50 percent state and 50 percent county. Effective October 1, 1999, federal funding is provided by the Temporary Assistance for Needy Families (TANF) block grant for those EA costs meeting eligibility criteria. EA-FC costs will be funded 70 percent TANF and 30 percent county. EA-GA costs will be funded 50 percent TANF and 50 percent county.

### CHANGE FROM PRIOR SUBVENTION:

The prior subvention assumed that those counties that have rates that exceed the schedule of basic rates (Los Angeles, Orange, San Diego, Santa Clara, Marin, and San Mateo) received an increase of one-half of the CNI percentage. Pursuant to AB 1111 (Chapter 147, Statutes of 1999), all counties for FY 1999-2000 shall receive an increase of the entire CNI percentage.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year COLA reflects the impact due to caseload growth..

### EXPENDITURES:

(in 000's)

Foster Care	1999-00	2000-01
	Grant	Grant
Total	\$32,765	\$33,352
Federal	11,720	11,997
State	8,418	8,542
County	12,627	12,813
Reimbursements	0	0

## Foster Care July 1999 COLA

### EXPENDITURES (continued):

(in 000's)

<b>AAP</b>	1999-00	2000-01
	Grant	Grant
Total	\$4,981	\$5,662
Federal	2,112	2,386
State	2,152	2,457
County	717	819
Reimbursements	0	0

  

<b>EA</b>	1999-00	2000-01
	Grant	Grant
Total	\$1,108	\$1,234
Federal	586	858
State	184	0
County	338	376
Reimbursements	0	0



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## Foster Care January 2000 Rate Increase

### DESCRIPTION:

This premise reflects the impact of the rate increase given to those children placed in Foster Family Home (FFH), Foster Family Agency (FFA) and Group Home (GH) placements. The total grant payment for all FFH, FFA, and GH placements will increase by 2.36 percent on January 1, 2000. This rate increase is authorized pursuant to Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

FFHs are those homes licensed by either state or county community care licensing agencies that provide 24-hour care and supervision in a family environment for a maximum of six children. GHs are private, nonprofit, nondetention facilities that provide services in a group setting to children in need of care and supervision. FFAs are nonprofit agencies organized to recruit, certify, and train foster parents, as well as provide professional support to foster parents. FFAs also find homes (temporary or permanent placements) for children who require more intensive care.

Pursuant to AB 1111 (Chapter 147, Statutes of 1999), all counties for Fiscal Year (FY) 1999-2000 shall receive an increase in state participation for the basic rate of the entire percentage rate increase adjustment provided for FFHs. Senate Bill (SB) 955 (Chapter 634, Statutes of 1999), provides a rate increase equal to the California Necessities Index (CNI), effective July 1, 1999, for all group home programs with a rate on June 30, 1999, which was higher than the Standardized Schedule of Rates for its Rate Classification Level (RCL)

### IMPLEMENTATION DATE:

The increase to the rate schedule is effective January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11461(d), 11462(g), and 11463(e).
- The actual rate increase of 2.36 percent will become effective January 1, 2000.
- Currently, the FFA caseload and associated expenditures are commingled with the FFH and GH total caseload and expenditures.
- Total foster care (FC) basic expenditures for FY 1999-00 are estimated at \$1.3 billion. The estimated costs are calculated by multiplying the projected federal and nonfederal GH and FFH caseload by the average respective grants based on the eight month period November 1998 – June 1999. The FY 2000-01 caseload and expenditures are impacted by a 2.2 percent caseload growth rate.
- The federally eligible percentage of FC expenditures is based on actual expenditure data from October 1998 to June 1999. The estimated percentage of eligible federal expenditures is 47.67 for July through September 1999, increasing to 47.79 percent in October 1999 and decreasing to 47.37 in October 2000, to reflect the change in the FMAP.
- Due to legislative changes, for FY 1999-2000 all counties shall receive the full percentage rate increase and all GH providers shall be eligible for the rate increase. As a result, total expenditures increase by 2.36 percent.
- Seriously Emotionally Disturbed (SED) Program placements are placed in GH, FFH and FFA facilities, resulting in a rate increase to SED expenditures.
- The increase to FFH rates will result in an increase to Adoption Assistance Program (AAP) costs, as AAP rates are negotiated based on the FC Program FFH rates.

## Foster Care January 2000 Rate Increase

### KEY DATA/ASSUMPTIONS (continued):

- The increase to foster care rates will also result in an increase to the Emergency Assistance (EA) program costs as EA rates are based on FC Program rates.

### METHODOLOGY:

To estimate the cost of implementing the rate increase, projected FC, AAP and EA expenditures are increased by 2.36 percent, to reflect the CNI effective July 1, 1999. The expenditures are then increased by an additional 2.36 percent to reflect the rate increase effective January 1, 2000. The difference between projected costs before and after the application of the rate increase reflects the impact of the increase on FC, AAP and EA costs.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those FC and AAP cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage (FMAP) of 51.55 percent, which increases to 51.67 percent effective October 1, 1999, and decreases to 51.25 percent effective October 1, 2000. Nonfederal FC costs are funded 40 percent state and 60 percent county. Nonfederal AAP costs are funded 75 percent state and 25 percent county.

Prior to October 1, 1999, EA-FC costs were funded 70 percent state and 30 percent county, and EA-General Assistance (GA) costs were funded 50 percent state and 50 percent county. Effective October 1, 1999, federal funding is provided by the Temporary Assistance for Needy Families (TANF) block grant for those EA costs meeting eligibility criteria. EA-FC costs will be funded 70 percent TANF and 30 percent county. EA-GA costs will be funded 50 percent TANF and 50 percent county.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The rate increase becomes effective January 2000, therefore the current year reflects only six months of impact. The budget year reflects full-year impact of rate increase and caseload growth.

### EXPENDITURES:

(in 000's)

Foster Care	1999-00	2000-01
	Grant	Grant
Total	\$16,899	\$34,139
Federal	6,077	12,281
State	4,329	8,743
County	6,493	13,115
Reimbursements	0	0

## Foster Care January 2000 Rate Increase

### EXPENDITURES (continued):

(in 000's)

<b>AAP</b>	1999-00	2000-01
Total	\$2,637	\$5,796
Federal	1,118	2,443
State	1,139	2,515
County	380	838
Reimbursements	0	0

<b>EA</b>	1999-00	2000-01
	Grant	Grant
Total	\$583	\$1,263
Federal	405	878
State	0	0
County	178	385
Reimbursements	0	0

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## Foster Family Agency July 2000 COLA

### DESCRIPTION:

This premise reflects the impact of a cost-of-living adjustment (COLA) given to those children placed in foster family agencies (FFAs). The total grant payment an FFA placement receives will increase by the California Necessities Index (CNI), on July 1, 2000. The COLA is authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999).

FFAs are nonprofit agencies organized to recruit, certify and train foster parents, as well as provide professional support to foster parents. FFAs also find homes (temporary or permanent placements) for children who require more intensive care. Reimbursement rates to FFA providers are based on the age of the child in placement and range from \$1,394 to \$1,644 per month.

### IMPLEMENTATION DATE:

The increase to the rate schedule will be effective July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11463(e).
- The actual CNI of 3.61 percent will become effective July 1, 2000.
- The proportion of FFA placements in each age category was determined based on data, as of September 1999, from the Data Analysis and Publications Bureau.
- The average monthly FFA caseload is projected to be 23,225 for Fiscal Year (FY) 2000-01. This caseload is based on the ratio of FFA placements as reported on the Caseload Movement and Expenditure Report, CA 237 Foster Care (FC) Supplement, for the six month period January 1999 to June 1999.
- The estimated FFA expenditures for FY 2000-01 are \$423.8 million. The estimated costs are calculated by multiplying the projected FFA caseload by the proportion of placements in each age category and applying the age based rate, which includes the 2.36 percent rate increase effective January 1, 2000.

### METHODOLOGY:

To estimate the cost of implementing the COLA, the FFA rates by age category are increased by 3.61 percent, and then multiplied by the proportion of FFA placements in each age category. The difference between projected costs before and after the application of the rate increase reflects the impact of the COLA on FC costs. The federal share of costs is based on the ratio of actual FFA expenditures for FY 1998-99. An adjustment is made to the federal portion of costs to account for nonfederally eligible expenditures.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria. The amount of federal financial participation is based on the Federal Medical Assistance Percentage, which increased to 51.67 percent effective October 1, 1999, and decreases to 51.25 effective October 1, 2000. Nonfederal costs are funded 40 percent state and 60 percent county.

## Foster Family Agency 2000 COLA

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The COLA is effective in the budget year.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$15,349
Federal	0	4,617
State	0	4,292
County	0	6,440
Reimbursements	0	0

## Foster Family Agency Audit

### DESCRIPTION:

This premise reflects the State and county costs associated with the revised methodology used to develop the Foster Family Agency (FFA) funding ratios effective Fiscal Year (FY) 1999-00, as a result of the audit of the FFA treatment program conducted by the federal Department of Health and Human Services (DHHS).

DHHS challenged the claiming methodology for FFA social worker (SW) administrative costs, and recommended the Department separately identify and claim FFA administrative costs from FFA maintenance costs. The Department filed an appeal on May 15, 1998, appealing the federal disallowance of \$15.5 million identified in DHHS' final decision letter. The Department agrees that a disallowance amount is owed, but disputes the methodology utilized to arrive at the disallowance amount. Pending resolution of the audit appeal, the Department will utilize the methodology applied in the federal audit to determine the indirect cost rate to allocate nonfederally eligible SW administrative costs. Furthermore, FFA administrative and maintenance costs will be separately identified and claimed utilizing appropriate funding ratios.

### IMPLEMENTATION DATE:

The revised methodology will be effective retroactive to July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- The annual caseload for FFA placements is estimated at 272,735 in FY 1999-00 and 278,700 in FY 2000-01, based on the proportion of FFA cases reported on the CA 237 Supplemental FFA Report from January to June 1999.
- The methodology developed by DHHS multiplies the SW maintenance cost per case by 66.7 percent to arrive at the nonfederal SW administrative cost.
- Federal case expenditures are projected to account for 84.0 percent of total FFA expenditures based on data from the CA 237 Supplemental FFA Report for FY 1998-99.
- Federally eligible administrative costs will be reimbursed at a federal participation rate of 50 percent.
- The FFA rate components reflect increases for a 2.36 percent California Necessities Index (CNI) adjustment effective July 1, 1999, an additional 2.36 rate increase effective January 1, 2000, and a 3.61 percent CNI adjustment effective July 1, 2000.
- The amount of federal financial participation based on the Federal Medical Assistance Percentage (FMAP), is 51.55 percent effective October 1, 1998, increasing to 51.67 percent on October 1, 1999, and decreasing to 51.25 percent on October 1, 2000.

### METHODOLOGY:

- To estimate the cost of implementing the revised methodology, the projected annual FFA caseload is multiplied by the revised SW administrative cost per case.



## Foster Family Agency Audit

### METHODOLOGY (continued):

- The percentage of federal expenditures is then applied to determine the costs associated with federal cases only. The federal participation rate for administrative costs of 50 percent is then applied to estimate the level of federal savings. This results in increased costs to the State and county, split 40 percent and 60 percent, respectively.
- To estimate the cost of funding FFA administrative costs at 50 percent federal financial participation, the projected annual caseload, by age category, is multiplied by the applicable administrative cost per case, the projected annual SW administrative costs are subtracted to establish the net federally eligible administrative costs.
- The percentage of federal expenditures is then applied to determine the costs associated with federal cases only. The federal participation rate for administrative costs of 50 percent is then compared to federal reimbursement at the FMAP rate to estimate the level of federal savings. This results in increased costs to the state and county, split 40 percent and 60 percent respectively.

### FUNDING:

FFA expenditures will be shared 40 percent state and 60 percent county.

### CHANGE FROM PRIOR SUBVENTION:

This premise is being modified from the original premise included in the November 1998 Subvention to include a revised implementation date and to reflect more current caseload and FFA rate information.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 estimate reflects adjustments for caseload growth and the CNI rate adjustment effective July 2000.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$0
Federal	-22,542	-23,756
State	9,017	9,502
County	13,525	14,254
Reimbursements	0	0

## **Title IV-E Audit**

### **DESCRIPTION:**

The Department of Health and Human Services (DHHS), Office of the Inspector General (OIG), conducted an audit of the Title IV-E Foster Care program in California which covered the eligibility for Federal reimbursement of Title IV-E maintenance payments claimed during the period October 1, 1988 through September 30, 1991. The audit findings, based on a sample of 805 payments, disclosed that the Department had incorrectly claimed an estimated \$51,701,640 in federal financial participation (FFP).

Based on supplemental information submitted by the Department, with which the State challenged some of the errors cited in the final audit report, the OIG determined that there was adequate support to reverse a portion of the audit findings, and subsequently reduced the claim against the State to \$38,953,679 in FFP.

### **KEY DATA/ASSUMPTIONS:**

- The Department does not agree with many of the OIG case specific findings of ineligibility and does not concur with the auditors' statistical methodology used to extrapolate the audit results statewide.
- The Department received a disallowance letter, dated August 2, 1999, stating the OIG's final determination with respect to resolution of the Title IV-E Foster Care audit. This letter reduced the claim against the State from the initial audit amount of \$103,403,279 (\$51,701,640 FFP) to \$77,907,357 (\$38,953,679 FFP).
- Unless the State exercises its appeal rights, the State is required to refund the amount identified in the audit report as prior quarter adjustments to its Title IV-E expenditures claim within 30 days of receipt of the disallowance letter, or the State may request an extended (installment) repayment plan.
- If the disallowance is sustained by the Department Appeals Board (DAB), interest and other late charges, if applicable, will be charged from the date of receipt of the disallowance letter.
- The Department has opted to repay the entire amount of the revised disallowance amount within the timelines specified by DHHS to avoid additional finance charges. The Department plans to appeal the entire disallowance with the DAB.

### **METHODOLOGY:**

The costs budgeted for Fiscal Year 1999-00 represents the amount identified in the audit disallowance letter.

### **FUNDING:**

Funding is currently being displayed as State General Fund.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

## Title IV-E Audit

### REASON FOR YEAR-TO-YEAR CHANGE:

The entire disallowance amount will be paid in the current year.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$38,954	\$0
Federal	0	0
State	38,954	0
County	0	0
Reimbursements	0	0

## Wrap-Around Services Pilot

### DESCRIPTION:

This premise reflects the costs associated with a statewide five-year pilot that provides eligible children with family-based service alternatives to group home care. Pursuant to Senate Bill (SB) 163 (Chapter 795, Statutes of 1997), the Wrap-Around Services Pilot permits flexible use of state foster care funds, and, in limited circumstances, Adoption Assistance Program (AAP) funds, to pay for service allocation slots that provide the individualized, intensive wrap-around service packages necessary to keep these children in family settings.

This premise expands the Santa Clara County Wrap-Around Services Pilot Project authorized under Assembly Bill (AB) 2297 (Chapter 274, Statutes of 1996), by extending the operative date of the provisions and offering the services to all counties. Santa Clara and Los Angeles are the only counties currently participating in the statewide pilot project. Additional counties have submitted applications for participation and will be added to the pilot based on demonstrated capacity to implement and maintain a quality program, as well as the Department's ability to provide the necessary support to ensure quality statewide.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 18250 et. seq.
- Annual program participation is currently limited to a maximum of 300 child welfare cases in Santa Clara County, 10 cases in Los Angeles County, and 50 cases in Sacramento County.
- The California Department of Social Services is currently working with over 20 counties who will be participating in the pilot program. The number of approved slots is estimated at 935 by July 1, 2000, and increases to 985 by July 1, 2001. Due to the time necessary for a final plan, training, and implementation, the number of filled slots is estimated at 791 by July 2000 and 973 by July 2001.
- As established in statute, the \$5,121 monthly reimbursement rate for program participants is the average of group home rates for children in facilities with Rate Classification Levels 12 through 14, effective July 1, 1999. The rate will increase to \$5,242 effective January 1, 2000, to reflect the 2.36 rate increase authorized for group home program rates pursuant to W&IC section 11462.
- The provisions set forth in AB 2297 will sunset on July 1, 2001, unless a later enacted statute, that becomes operative on or before January 1, 2002, deletes or extends the date on which it becomes inoperative. The provisions of SB 163 will sunset on October 1, 2003.

### METHODOLOGY:

Pilot project costs are the product of projected casemonths and the reimbursement rate per case.

### FUNDING:

Nonfederal program costs are funded 40 percent state and 60 percent county.

## Wrap-Around Services Pilot

### CHANGE FROM PRIOR SUBVENTION:

The estimate has been updated to reflect the most recent caseload projections.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects an increase for caseload growth due to additional counties participating in the program.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	475	889

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$29,643	\$55,900
Federal	0	0
State	11,857	22,360
County	17,786	33,540
Reimbursements	0	0

## Emergency Assistance Program

### DESCRIPTION:

This premise reflects the costs associated with Phase II of the Emergency Assistance (EA) Program, which provides funding for benefits and services granted to children and families in emergency situations. Eligibility is restricted to once in a 12-month period.

Phase I provided funding for nonfederal foster care (FC) for wards and county juvenile assessment and residential treatment facilities. Federal Action Transmittal ACF-AT-95-9 prohibited the use of EA funds for children removed due to delinquent behavior as of January 1, 1996, eliminating the probation component. The Juvenile Assessment/Treatment Facilities Premise discusses the allowability of Temporary Assistance for Needy Families (TANF) block grant funding for the EA-Probation population. Phase II consisted of nonfederal FC for dependents and voluntary placements under the EA-FC Welfare program. The Child Welfare Services EA Premise discusses additional program components.

Public Law (P.L.) 104-193 created the TANF block grant and eliminated EA funding. Although P.L. 104-193 allowed TANF funding for Phase II of the EA program, the Budget Act of 1997 replaced the TANF funding with State General Fund (GF). Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF maintenance of effort requirement, therefore, effective October 1, 1999, the GF will be replaced with TANF funding.

Phase I included funding for undocumented aliens and other cases that did not qualify for federal or state FC. These EA-General Assistance (GA) cases continued to be funded even though the probation component expired on January 1, 1996. Only those "qualified aliens" who entered the country before August 22, 1996, are eligible for TANF funded services.

### IMPLEMENTATION DATE:

Phase I became effective July 1, 1993; Phase II became effective September 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10101.
- Actual expenditure and caseload data for the last eight months, November 1998 through June 1999, provide the basis for the projected average grants of \$1,361.27 for EA-FC cases and \$1,280.14 for EA-GA cases.
- EA casemonths are projected using a linear trend forecast based on actual caseload data and are projected separately for EA-FC and EA-GA cases.
- The 3.93 percent cost-of-doing-business (CODB) factor is applied to EA FC administrative costs.

### METHODOLOGY:

- *Item 101* – EA-FC costs are the product of projected casemonths and the computed average grant.
- *Item 141* - Costs for administrative activities performed by county welfare department staff are based upon actual expenditures, adjusted for caseload growth and CODB factors. Administrative costs also include \$35,000 for reimbursements to the California Department of Health Services for data processing activities associated with the Assistance to Children in Emergency system, which enables tracking of EA cases currently receiving assistance.

## Emergency Assistance Program

### FUNDING:

EA funding, although eliminated by P.L. 104-193, was used in the TANF block grant calculation and is, therefore, part of the TANF funding schedule. However, the Budget Act of 1997 replaced TANF funds with GF for the FC welfare component. Assembly Bill 67 (Chapter 606, Statutes of 1997) stipulates that the amount of funds appropriated that equates to the amount claimed under EA that has been included in the State's TANF block grant shall be considered federal funds for the purpose of calculating a county's share of costs. The EA-FC component is funded 70 percent state, 30 percent county. Due to the shift from federal Title IV-A/TANF to GF on July 1, 1997, the EA-GA component is funded 50 percent state, 50 percent county. EA administrative costs are shared 85 percent state and 15 percent county. Based on interpretation of the final TANF regulations, effective October 1, 1999, EA GF expenditures are not countable towards the TANF MOE requirement, therefore, effective October 1, 1999, the GF will be replaced with TANF funding.

### CHANGE FROM PRIOR SUBVENTION:

This premise reflects the most recent data available, including updated caseload and average grant projections for the FC welfare and GA components.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects adjustments for caseload growth and the elimination of State funding for the program.

### CASELOAD:

FOSTER CARE	1999-00	2000-01
Average Monthly Caseload	2,879	3,206

### EXPENDITURES:

(in 000's)

#### FOSTER CARE WELFARE

Items 101 and 141	1999-00		2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	\$46,947	\$5,133	\$52,290	\$5,896
Federal	24,821	3,272	36,336	5,012
State	7,786	1,091	0	0
County	14,340	770	15,954	884
Reimbursements	0	0	0	0

## Department of Child Support Services

### DESCRIPTION:

Pursuant to Assembly Bill (AB) 196 (Chapter 478, Statutes of 1999) and Senate Bill (SB) 542 (Chapter 480, Statutes of 1999) the Department of Child Support Services (DCSS) is established, effective January 1, 2000, to administer all services and perform all functions necessary to establish, collect, and distribute child support. DCSS will be the single organizational unit to administer the State plan for securing child and spousal support, medical support and determining paternity.

Pursuant to AB 150 (Chapter 479, Statutes of 1999), DCSS is responsible for operating the child support enforcement program. Through the Franchise Tax Board as its agent, DCSS is to be responsible for procuring, developing, implementing, and maintaining the operation of the California Child Support Automation System in all California counties.

### IMPLEMENTATION DATE:

The new department, DCSS, is established January 1, 2000. However, the local assistance funding is reflected in the California Department of Social Services (CDSS) budget through June 30, 2000.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: Division 17 of the Family Code commencing with section 17000, and Welfare and Institution Code section 10080. Also, see each of the child support collection, administration, and automation premise descriptions for specific statutory authority.

### METHODOLOGY:

- For Fiscal Year (FY) 1999-00 the child support program funding is reflected in the CDSS budget.
- The FY 2000-01 funding is reflected in DCSS budget, located in the auxiliary tables. It should be noted that the auxiliary table display differs from the CDSS budget to allow for a comparison to the new department's budget structure.
  - ◆ The child support collections are for display purposes only.
  - ◆ The Foster Parent Training Fund is no longer reflected as an offset to Foster Care (FC) state share of collections. It is now shown as a cost in child support administration.
  - ◆ The federal share of FC (Title IV-E) collections is reflected as a reimbursement to CDSS to abate the federal share of FC grant.
- See each of the child support collections, administration, and automation premise descriptions for specific methodologies.



## Department of Child Support Services

### FUNDING:

See each of the child support collection, administration, and automation premise descriptions for the funding detail.

Effective FY 2000-01, the child support collections are considered revenue and are shown for display purposes only.

### CHANGE FROM PRIOR SUBVENTION:

Legislation subsequent to the prior subvention created the new DCSS effective January 1, 2000.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to the implementation of the new legislation.

### EXPENDITURES:

(in 000's)

	2000-01	
	Program Costs <sup>1</sup>	Collections <sup>2</sup>
Total	\$874,140	-\$627,383
Federal	535,791	-312,238
State	332,337	-283,941
County	6,012	-31,204
Reimbursements	0	0

<sup>1</sup> — This is the net cost of Child Support Administration, Child Support Incentives, and Child Support Automation.

<sup>2</sup> — This is for display purposes only.

## Child Support Program – Basic Collections

### DESCRIPTION:

Basic collections represent the ongoing efforts of the district attorneys and family support units to collect child support payments from responsible, noncustodial parents. Besides child support payment data, significant factors that affect basic collections include minimum award, wage assignments, and intercepts. Although the district attorneys collect child support payments for the assistance, foster care (FC), and nonassistance cases, this item reflects only the assistance/FC collections that result in recoupment of costs.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11477.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, beginning with Fiscal Year (FY) 1989-90 through FY 1998-99.

### METHODOLOGY:

- Actual assistance/FC distributed collections and the disregards are reported monthly on the CS-800, Summary Report of Child and Spousal Support Payments. The disregard is estimated separately. (See the \$50 State Disregard Payment to Families Premise.)
- Actuals from the CS 800 Reports were verified and used to construct a trend from July 1989 through June 1999. The forecast was generated by utilizing the latest available 78 months of data from the CS 800 Reports, from January 1993 through June 1999. This produced an annual estimated growth rate of 6.9 percent for FY 1999-00 over FY 1998-99 actual collections. The FY 2000-01 estimated collections are 5.1 percent over the FY 1999-00 estimate.

### FUNDING:

Collections made on behalf of nonassistance families are forwarded directly to custodial parents. Collections for assistance families, less the \$50 disregard payment to families, are retained and serve as abatements to the cost of cash grant payments. The assistance/FC collections are shared based on the Federal Medical Assistance Percentage and the nonfederal sharing ratios. These ratios are reflected as follows:

#### ASSISTANCE:

	July 1999 –Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	46.03%	45.91%	46.31%
County	2.42%	2.42%	2.44%

## Child Support Program – Basic Collections

### FUNDING (continued):

#### ASSISTANCE Nonfederal:

Federal	0%
State	95.00%
County	5.00%

#### FC:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	19.38%	19.33%	19.50%
County	29.07%	29.00%	29.25%

#### FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

### CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for the most recent actual assistance/FC distributed collections data from the CS-800, Summary Report of Child and Spousal Support Payments.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 increase is due to an anticipated growth in collections.

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

## Child Support Program – Basic Collections

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	-\$583,530	-\$608,832
Federal	-274,481	-287,007
State	-281,876	-293,144
County	-27,173	-28,681
Reimbursements	0	0

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## **\$50 State Disregard Payment to Families**

### **DESCRIPTION:**

In addition to the regular aid grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the aid grant results in cost increases (lost collection revenues).

Under the provision of Public Law 104-193 (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996), the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire \$50 disregard payment to the custodial parent.

### **IMPLEMENTATION DATE:**

This premise implemented in Fiscal Year (FY) 1984-85.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11475.3 and Family Code section 17504.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, beginning with FY 1989-90 through FY 1998-99.

### **METHODOLOGY:**

- The cost of the current \$50 disregard is reported monthly on the CS-800, Summary Report of Child and Spousal Support Payments. The disregard is paid when the child support collection is distributed.
- The forecast was generated by utilizing the latest available 36 months of data from the CS 800 Reports, from July 1996 through June 1999. This produced an annual estimated declining trend rate of -6.1 percent for FY 1999-00 over FY 1998-99 actual collections. The FY 2000-01 estimated collections are -9.2 percent below the FY 1999-00 estimate.

### **FUNDING:**

The costs associated with the \$50 disregard are 100 percent General Funds. The cost is counted toward the State's maintenance of effort requirement.

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate was updated for the most recent actual disregard payments from the CS-800, Summary Report of Child and Spousal Support Payments.

## **\$50 State Disregard Payment to Families**

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The FY 2000-01 decrease is due to a projected decrease in the number of actual payments.

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### **EXPENDITURES:**

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	Grant	Grant
Total	\$31,905	\$28,954
Federal	0	0
State	31,905	28,954
County	0	0
Reimbursements	0	0

## Foster Parent Training Fund

### DESCRIPTION:

This premise reflects the cost of the Foster Parent Training Fund. Welfare and Institutions Code (W&IC) section 903.7(b) provides that the difference between the net state share of the estimated child support foster care (FC) collections and the base level of the FC estimated state share of total child support collections be transferred to the Foster Parent Training Fund.

The community colleges, in consultation with the California State Foster Parents Association and the Department, conduct the foster parent training programs. Training consists of teaching foster parents subjects including sibling rivalry, reuniting foster children with their parents, foster care regulations and child growth and development.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1981.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 903.7(b).
- The FC estimated state share of collections, based on the sum of the estimated state's share of basic distributed collections and the state's share of all of the child support collections premises, is \$10,650,000 for Fiscal Year (FY) 1999-00, and \$11,220,000 for FY 2000-01.
- The FC estimated state share of incentives is \$3,747,000 for FY 1999-00, and \$4,277,000 for FY 2000-01.
- The FC state share of collections base level cannot exceed \$3,750,000 each year based on the W&IC section 903.7(b).

### METHODOLOGY:

- The Foster Parent Training Fund estimate is the difference between the net state share of the estimated FC collections and the base level of the FC estimated state share of total collections. The total estimated state share of FC collections is \$10,650,000 for FY 1999-00, and \$11,220,000 for FY 2000-01.
- The net state shares of FC collections, which are \$6,903,000 for FY 1999-00, and \$6,943,000 for FY 2000-01, are the result of deducting the estimated state shares of FC incentives, which are \$3,747,000 for FY 1999-00, and \$4,277,000 for FY 2000-01, from the state's estimated shares of total FC collections. The state FC base level of \$3,750,000 is then subtracted from the net state share of FC collections to identify the amounts to transfer to the Foster Parent Training Fund, which are \$3,153,000 for FY 1999-00, and \$3,193,000 for FY 2000-01.

### FUNDING:

The actual transfer from child support FC collections to the Foster Parent Training Fund is 100 percent General Fund.



## Foster Parent Training Fund

### CHANGE FROM PRIOR SUBVENTION:

This estimate was updated for the most recent estimated FC collections and incentives.

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	\$3,153	\$3,193
Federal	0	0
State	3,153	3,193
County	0	0
Reimbursements	0	0

## State Investment Funds Project

### DESCRIPTION:

This premise reflects the administrative costs and identifies the increased collections associated with counties who implement new projects or enhance existing child support collections processes.

As authorized under Chapter 851, Statutes of 1992, the Budget Act provides appropriation authority, as needed, for the investment of up to \$20 million from the General Fund for county-operated child support activities. These special projects stimulate growth in funds collected. For this premise, to the extent that counties implement new or enhanced processes that directly result in increased child support collections, matching federal funds are also available.

There are two options of investment available to counties. The loan method, supported by only state and federal funds, requires that the amount of increased assistance collections generated be greater than the projected funds invested by the State. Counties through reduction of their incentive payments will reimburse collection shortages. The second method requires the county to match state dollars invested at the rate of \$0.50 for every state dollar; however, no repayment is mandated if collection amounts do not reach anticipated levels.

### IMPLEMENTATION DATE:

This premise implemented on December 1, 1992.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15200.6 and Family Code section 17700.
- Each participating county provided the projected cost and collections for the project to the Child Support Program Improvement Unit. The estimated administrative cost and collections are the sum total of these projected costs and collections.

### METHODOLOGY:

- Fiscal Year (FY) 1999-00 administration costs are based on approved county project requests for one county (Merced) under the match method. These project costs are scheduled in the county administration section of this premise. The FY 2000-01 administrative costs are projected to be the same level as the FY 1999-00 estimate.
- FYs 1999-00 and 2000-01 collections are based on approved county project requests for one county. The county estimates its annual baseline collection level without state investment funds. The county then estimates a second, enhanced collection level, which is due to state investment funds. The difference between the baseline and enhanced collection levels is the estimated total collections that are attributable to federal, state and county project funds invested. The total investment will produce additional assistance and nonassistance collections, as estimated by the participating county. The projected assistance collection increase is scheduled according to federal, state and county sharing ratios in the grant section of this premise.

### FUNDING:

For the county administration section of this premise, projects funded by the match method are currently shared 66 percent federal, 22.7 percent state, and 11.3 percent county. The assistance/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage (FMAP). These ratios are reflected on the following page.

## State Investment Funds Project

### FUNDING (continued):

#### ASSISTANCE:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	46.03%	45.91%	45.31%
County	2.42%	2.42%	2.44%

#### ASSISTANCE Nonfederal:

Federal	0%
State	95.00%
County	5.00%

#### FC:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	19.38%	19.33%	19.50%
County	29.07%	29.00%	29.25%

#### FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

### CHANGE FROM PRIOR SUBVENTION:

The FY 1999-00 administrative costs and collections were reduced to reflect only one final approved county request.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 total is the same, but the collections sharing distribution changes due to the FMAP.

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

## State Investment Funds Project

### EXPENDITURES:

(in 000's)

	CDSS		DCSS	
	1999-00		2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	-\$825	\$353	-\$825	\$353
Federal	-412	233	-410	233
State	-372	80	-374	80
County	-41	40	-41	40
Reimbursements	0	0	0	0

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## Franchise Tax Board Collection Program

### DESCRIPTION:

This premise displays the increased collections obtained by the Franchise Tax Board (FTB) resulting from the collections from cases that are delinquent in child support payments by 90 days. The FTB sends demand for payment notices and processes bank and wage levies on accounts for child support collections based on county referrals.

Pursuant to Assembly Bill (AB) 3589 (Chapter 1223, Statutes of 1992), district attorney offices in the Counties of Ventura, Los Angeles, Santa Clara, Solano, Nevada, and Fresno volunteered to work with the FTB to design, test and implement a pilot child support collection program. As of December 1993, these pilot counties became fully operational with this program. AB 923 (Chapter 906, Statutes of 1994) authorized expansion of the FTB Program statewide by December 31, 1996.

AB 1395 (Chapter 614, Statutes of 1997) mandated the district attorney offices to refer all child support cases that are delinquent by 90 days to the FTB for collection effective January 1, 1998.

AB 702 (Chapter 697, Statutes of 1997) required a data match system between the FTB and financial institutions doing business in the State. Its purpose is to discover otherwise unknown assets of delinquent child support obligors. The system has been mandated by federal mandate, Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

This premise schedules only the estimated assistance/Foster Care (FC) Program collections associated with the FTB collections program. FTB support costs are funded through the Department's state operations at 66 percent federal financial participation and 34 percent General Fund and are passed on to FTB through an interagency agreement.

### IMPLEMENTATION DATE:

- March 1, 1993 – Volunteer case referrals
- January 1, 1998 – 90-day delinquent cases
- July 1, 1998 – Financial Institution Data Match (FIDM) system

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11475.1(a); Family Code section 17501; Revenue and Taxation Code sections 19271.5(a) and 19271.6.
- The estimated collections were provided by FTB based on historical data.
- The distribution ratio of 99.0 percent and the assistance/FC ratio of 58.49 percent are based on FTB's historical data from the period of December 1993 to June 1999.

#### Non-FIDM Collections:

- Collections are based on demands, bank levies, wage levies, miscellaneous levies, out-of-state referral notices, and out-of state contract collections.

#### FIDM Collections:

- Collections are based on data provided by FTB as a result initial banks and other financial institutions' participation.

## Franchise Tax Board Collection Program

### METHODOLOGY:

#### Non-FIDM Collections:

- The estimated collections from demands are \$3,886,000 for Fiscal Year (FY) 1999-00, and \$2,849,000 for FY 2000-01.
- The estimated collections from bank levies are \$6,964,000 for FY 1999-00, and \$6,348,000 for FY 2000-01.
- The estimated collections from wage levies are \$54,688,000 for FY 1999-00, and \$51,337,000 for FY 2000-01.
- The estimated collections from miscellaneous levies are \$134,000 for FY 1999-00, and \$181,000 for FY 2000-01.
- The estimated collections from out-of-state referral notices are \$297,000 for FY 1999-00, and \$227,000 for FY 2000-01.
- The estimated collections from out-of-state contract collections are \$1,934,000 for FY 1999-00, and \$2,295,000 for FY 2000-01.
- The sum total of all the actions for non-FIDM collections is \$67,900,000 for FY 1999-00, and \$63,200,000 for FY 2000-01.

#### FIDM:

- The estimated collections for FIDM are \$11,800,000 for FY 1999-00, and \$13,500,000 for FY 2000-01, based on data provided by FTB as a result of initial banks and other financial institutions' participation.

#### Net Collections:

- For FY 1999-00, the combined total of non-FIDM collections (\$67,900,000) and FIDM (\$11,800,000) is \$79,700,000. This total was multiplied by the distribution ratio of 99.0 percent to determine the distributed collections (\$78,905,000). This amount was multiplied by the assistance/FC ratio of 58.49 percent resulting in an assistance/FC collection amount of \$46,151,000.
- For FY 2000-01, the combined total of non-FIDM collections (\$63,200,000) and FIDM (\$13,500,000) is \$76,700,000. This total was multiplied by the distribution ratio of 99.0 percent to determine the distributed collections (\$75,935,000). This amount was multiplied by the assistance/FC ratio of 58.49 percent resulting in an assistance/FC collection amount of \$44,414,000.

## Franchise Tax Board Collection Program

### **FUNDING:**

The assistance/FC collections are shared based on the Federal Medical Assistance Percentage. These ratios are reflected as follows:

#### **ASSISTANCE:**

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	46.03%	45.91%	46.31%
County	2.42%	2.42%	2.44%

#### **ASSISTANCE Nonfederal:**

Federal	0%
State	95.00%
County	5.00%

#### **FC:**

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	19.38%	19.33%	19.50%
County	29.07%	29.00%	29.25%

#### **FC Nonfederal:**

Federal	0%
State	40.00%
County	60.00%

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate was updated for the most recent actual data up through June 1999.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.



## Franchise Tax Board Collection Program

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	-\$46,152	-\$44,414
Federal	-23,096	-22,104
State	-20,769	-20,101
County	-2,287	-2,209
Reimbursements	0	0

## Pass-On Payments to Families

### DESCRIPTION:

This premise reflects the cost of continuing the pass-on payments to families receiving assistance and nonfederally eligible foster care (FC). Pass-on payments are paid to an aided family when the monthly child support collected exceeds the aided family's grant for that same month. The amount in excess of the grant is passed on to the aided family. This premise also reflects the savings to the federal and county governments for the elimination of their participation of pass-on payments.

Public Law (P.L.) 104-193 of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), eliminated federal participation in pass-on payments in all aid categories except federal FC effective October 1, 1996. Effective October 1, 1998, with the implementation of the PRWORA collection and distribution changes, the Department is continuing pass-on payments with 100 percent General Fund in assistance and nonfederally eligible FC cases through March 31, 2000.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 104-193 of 1996.
- The monthly pass-on payments from September 1996 through June 1999 are based on the CS 800 Report, Summary Reports of Child and Spousal Support Payments.
- The year-to-year growth rate of 12.73 percent is based on Fiscal Year (FY) 1998-99 expenditures over FY 1997-98 expenditures for pass-on payments.

### METHODOLOGY:

- The FY 1999-00 estimated savings were based on FY 1998-99 pass-on payments of \$13,174,000 for assistance cases. This number was multiplied by the year-to-year growth rate of 12.73 percent to obtain an estimated FY 1999-00 pass-on payment amount of \$14,851,000. This number was then reduced by 25 percent or one-quarter cost (\$3,713,000), for an adjusted amount of \$11,138,000 because the funding ends March 31, 2000.
- The Federal Medical Assistance Percentage (FMAP) was applied to the adjusted estimated amount (\$11,138,000) to identify the savings reimbursed to the federal (-\$7,666,000) and county (-\$360,000) governments.

## Pass-On Payments to Families

### FUNDING:

The assistance collections are shared based on the FMAP. These ratios are reflected as follows:

### ASSISTANCE:

	July 1999 – Sept. 1999	Oct. 1999 – June 2000
Federal	51.55%	51.67%
State	46.03%	45.91%
County	2.42%	2.42%

### ASSISTANCE Nonfederal:

Federal	0%
State	95.00%
County	5.00%

### CHANGE FROM PRIOR SUBVENTION:

This premise was updated for the most recent actual data from the CS 800 Report, Summary Reports of Child and Spousal Support Payments.

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	\$3,112	\$0
Federal	-7,666	0
State	11,138	0
County	-360	0
Reimbursements	0	0

## Franchise Tax Board Automated Disclosure of California Parent Locator Service

### DESCRIPTION:

This premise reflects the estimated child support collections as a result of the expansion of locate and intercept services provided to the county district attorneys' (DAs) family support divisions by the Franchise Tax Board (FTB) via the California Parent Locator Service (CPLS).

Assembly Bill (AB) 573 (Chapter 599, Statutes of 1997) and AB 1395 (Chapter 614, Statutes of 1997) expanded the Revenue and Taxation Code and the Welfare and Institutions Code (W&IC) to allow the DAs to refer cases to FTB in which the noncustodial parents' (NCPs) social security numbers are unknown. Further, AB 1395 authorizes FTB to use any services or information available to FTB for tax enforcement purposes in locating NCPs. The use of additional asset and income information is also allowed.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 11478(d) and 11478.5(a); Family Code sections 17505(d) and 17506(a); Revenue and Taxation Code sections 19271 and 19274.
- The social security number match request of 180,000 is based on information provided by CPLS.
- The increased match rate of 15 percent resulting from an improvement of 40 percent to 55 percent is based on FTB's 1998-99 feasibility study report.
- The established order rate of 29 percent is based on assumptions from the Statewide Utility Match System experience.
- Based on the CS 800, Child/Family and Spousal Support Payments--Assistance Related Distribution/Disbursement Summary Report, July 1998 through June 1999, 38.4 percent are assistance cases.
- A three-month lag time is assumed between the time a NCP is located and the court order resulting in collections.
- The average monthly assistance support collected of \$227 is based on the June 1997 Child Support Enforcement Program Characteristic Survey, Table 13 - Total Amount of CS Collected in Month, Average Amounts of Child Support Collected-Per Case.
- The frequency of child support payments was based on the June 1997 Child Support Enforcement Program Characteristic Survey, Table 14 - Payment Pattern-Per Case. It is assumed that 17.4 percent will pay every month (100 percent), 19.0 percent will pay 7 to 12 times per year (75 percent on average), and 8.7 percent will pay 0 to 6 times per year (25 percent on average). The balance, 54.9 percent, constitutes cases that do not pay.

## Franchise Tax Board Automated Disclosure of California Parent Locator Service

### METHODOLOGY:

- To calculate Fiscal Year (FY) 1999-00 and FY 2000-01 grant savings, the estimated number of social security number match requests (180,000) was multiplied by the match rate of 15 percent to determine the number of successful matches (27,000).
- The resulting number was multiplied by the established support order rate of 29 percent to determine the number of matches with orders (7,830).
- The result was multiplied by 38.4 percent to determine the number of assistance cases (3,328). The result was then divided by 12 to get the average monthly number of assistance cases (277).
- This figure was then multiplied by 21 for FY 1999-00 to calculate the accumulative number of casemonths (5,824) and multiplied by 78 for FY 2000-01 to calculate the accumulative number of casemonths (19,544).
- The total number of casemonths was then multiplied by the average monthly assistance child support collections of \$227. This projected amount of \$1,194,000 for FY 1999-00 and \$4,436,000 for FY 2000-01 was adjusted by applying the payment patterns for the frequency of child support payments.
- The resulting total amount of \$369,000 for FY 1999-00 and \$1,369,000 for FY 2000-01.

### FUNDING:

The assistance/foster care (FC) collections are shared based on the Federal Medical Assistance Percentage. These ratios are reflected as follows:

#### ASSISTANCE:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	46.03%	45.91%	46.31%
County	2.42%	2.42%	2.44%

#### ASSISTANCE Nonfederal:

Federal	0%
State	95.00%
County	5.00%

## Franchise Tax Board Automated Disclosure of California Parent Locator Service

### FUNDING (continued):

#### FC:

	July 1999 – Sept. 1999	Oct. 1999 – Sept. 2000	Oct. 2000 – June 2001
Federal	51.55%	51.67%	51.25%
State	19.38%	19.33%	19.50%
County	29.07%	29.00%	29.25%

#### FC Nonfederal:

Federal	0%
State	40.00%
County	60.00%

### CHANGE FROM PRIOR SUBVENTION:

This premise was updated for the most recent data based on the June 1997 Child Support Enforcement Program Characteristic Survey.

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	-\$369	-\$1,369
Federal	-185	-682
State	-166	-619
County	-18	-68
Reimbursements	0	0

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## Child Support Incentives

### DESCRIPTION:

Federal and state governments have historically paid an incentive to counties as a means of increasing collections. In the past, counties earned 13.6 percent on distributed collections which equated to six percent federal and 7.6 percent state incentive dollars. Effective October 1, 1999, the methodology for calculating state entitlement for federal child support incentives was changed by Public Law (P.L.) 105-200, the Child Support Performance and Incentive Act of 1998. The federal incentives that will be passed-on to California counties will no longer be a flat six percent of distributed collections. Furthermore, effective July 1, 1999, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) changed the way state child support incentives will be paid to counties. State incentives will now be used to fund net county administrative expenditures, after federal financial participation and federal incentives have been deducted.

As mandated by AB 1111 (Chapter 147, Statutes of 1999), a flat rate of 13.6 percent of statewide projected collections must be used to establish the funding pool in each state fiscal year. This pool comprises a combination of both federal and state incentive dollars available to fund county administrative expenditures and recurring and nonrecurring electronic data processing maintenance and operation automation costs. The federal incentives are estimated using the new methodology; the state funds are what remains of the 13.6 percent pool after deducting estimated federal incentives.

### IMPLEMENTATION DATE:

- AB 1111 implemented changes to the state child support incentive methodology effective July 1, 1999.
- P.L. 105-200 implemented changes to the federal child support incentive methodology effective October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15200.81 and Family Code section 17704.
- The combined federal and state incentive payment shall be 13.6 percent of the distributed collections. Distributed collections are those actually received by families or agencies providing TANF or foster care.
- The federal government pays incentives based on P.L.105-200 using the following criteria:

#### 1. The State's Collection Base

The federal incentive methodology gives a weight of two for all distributed collections made in current and former assistance cases. The Federal Fiscal Year (FFY) 1998 distributed collections were used from the federal Office of Child Support Enforcement Fiscal Year 98 Box Scores by States (Preliminary) report. The formula is as follows:

$$2 \times (\text{Current Support Collections} + \text{Former Assistance Collections}) + \text{Never Assistance Collections} = \text{the State Collection Base}$$



## **Child Support Incentives**

### **KEY DATA/ASSUMPTIONS (continued):**

#### **2. Performance Measures**

The federal incentive methodology considers program performance in five areas to determine a state's incentive rate:

- ◆ Paternities Established
- ◆ Support Orders Established
- ◆ Current Support Collected
  - The above three measures may each earn 1.00 percent of the collection base.
- ◆ Cases Paying on Arrears
- ◆ Cost-Effectiveness
  - The above two measures may each earn a maximum of 0.75 percent of the collection base.

Based on the five areas to determine a state's incentive rate, the maximum rate that a state can receive is 4.5 percent. The rate for California is assumed at 2.71 percent based on their performance in each of the areas.

#### **3. The Incentive Base Amount**

The performance rate multiplied by the collection base equals the incentive base amount. California's incentive base amount was assumed to be \$64,066,000.

#### **4. Comparison with Other States**

The sum of all states' incentive base amounts is divided into each state's incentive base amount to determine the state's percentage of the available federal pool. Based on this calculation it was assumed that California's percentage for the available federal pool of funds would be 11.57 percent.

#### **5. The Available Federal Incentive Pool**

P.L. 105-200 established a set pool of available incentive funds for each FFY through FFY 2008. After FFY 2000, the available pool of federal incentive funds will be determined using the Consumer Price Index. Following are the statutorily set pool amounts:

- ◆ FFY 2000 \$422,000,000
- ◆ FFY 2001 \$429,000,000
- ◆ FFY 2002 \$450,000,000
- ◆ FFY 2003 \$461,000,000
- ◆ FFY 2004 \$454,000,000
- ◆ FFY 2005 \$446,000,000
- ◆ FFY 2006 \$458,000,000
- ◆ FFY 2007 \$471,000,000
- ◆ FFY 2008 \$483,000,000

## Child Support Incentives

### KEY DATA/ASSUMPTIONS (continued):

#### 6. Determining the States Incentive Entitlement

The State's percentage of the available pool, as determined in number 5, is multiplied by the available federal pool in the applicable FFY to determine the state's entitlement to federal incentives. It is assumed that California would be entitled to \$48,809,000 for federal incentives.

#### 7. Phase-in

P.L. 105-200 established that in FFY 2000, two-thirds of the State's incentive will be paid using the old methodology of six percent, and one third will be paid using the new methodology. In FFY 2001, one-third of the incentive will be paid using the old methodology and two-thirds will be paid using the new methodology. In FFY 2002, full implementation begins.

### METHODOLOGY:

- Incentives are paid on 13.6 percent of estimated distributed collections. For FY 1999-00, distributed collections are estimated at \$650,718,000 for assistance and \$1,166,905,000 for non-assistance. In FY 2000-01, they are estimated at \$668,022,000 for assistance and \$1,338,366,000 for non-assistance.
  - ◆ The federal incentives are estimated using the new methodology under P.L. 105-200. For FY 1999-00, the federal incentives are \$72,083,000, and for FY 2000-01 they are \$58,760,000.
  - ◆ The State incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. For FY 1999-00, the State incentives are \$175,114,000, and for FY 2000-01 they are \$214,109,000.

### FUNDING:

The federal incentives are estimated using the new methodology under P.L. 105-200. The state incentives are what remains of the 13.6 percent pool after deducting estimated federal incentives. The federal and state incentives will fund administrative costs incurred by local child support agencies. Effective July 1, 2001, any remaining incentive funds appropriated for the prior fiscal year will be reappropriated to implement an incentive program to reward up to ten local child support agencies.

### CHANGE FROM PRIOR SUBVENTION:

This premise has been updated to implement P.L. 105-200, the federal methodology, and AB 1111, the State methodology.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 federal incentives decrease due to the continued phase-in of the federal methodology.

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

## Child Support Incentives

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	\$0	\$0
Federal	72,083	58,760
State	175,114	214,109
County	-247,197	-272,869
Reimbursements	0	0

## Improved Collections Incentives (AB 196)

### DESCRIPTION

Pursuant to Assembly Bill 196 (Chapter 478, Statutes of 1999) this premise reflects the remaining incentives that were appropriated in prior year to be used to reward up to ten local child support agencies based on either their welfare and post-welfare collections or their increase in performance over the prior year.

### IMPLEMENTATION DATE

This premise will be implemented July 1, 2000.

### KEY DATA/ASSUMPTIONS

Authorizing statute: Family Code section 17704 (b) (B) (ii).

### METHODOLOGY

The estimate reflects five percent of state share child support CalWORKs collections from the Fiscal Year 1998-99 performance scores of the top ten scoring counties.

### FUNDING

These costs are 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE

This is a new premise.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	Grant	Grant
Total	\$0	\$697
Federal	0	0
State	0	697
County	0	0
Reimbursements	0	0

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## AB 150 Transfer to the Department of Child Support Services

### DESCRIPTION

This premise reflects the transfer of appropriation authority in the 1999 Budget Act from the California Department of Social Services to the Department of Child Support Services (DCSS). This transfer is authorized pursuant to Section 9 of Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999).

### IMPLEMENTATION DATE

This premise implemented on January 1, 2000.

### KEY DATA/ASSUMPTIONS

Authorizing statute: Section 9 of AB 150 (Chapter 479, Statutes of 1999).

### METHODOLOGY

The funding level was based on the DCSS' Budget Change Proposal. The federal Title IV-D funds are transferred from the child support administration, and the State General Fund (GF) are transferred from the child support incentives.

### FUNDING

The total costs are shared 66 percent federal Title IV-D funds and 34 percent GF.

### CHANGE FROM PRIOR SUBVENTION

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE

This premise is only for Fiscal Year 1999-00.

### EXPENDITURES:

(in 000's)	CDSS		DCSS	
	1999-00		2000-01	
	Grant	County Admin.	Grant	County Admin.
Total	\$0	-\$3,335	\$0	\$0
Federal	0	-3,335	0	0
State	-1,719	0	0	0
County	1,719	0	0	0
Reimbursements	0	0	0	0

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## **Adoption Assistance Program – Basic Costs**

### **DESCRIPTION:**

This premise estimates the total cost of providing financial support to families adopting a child with special needs under the Adoption Assistance Program (AAP).

Children eligible for AAP benefits have one of the following characteristics: mental, physical, medical or emotional handicap; ethnic background, race, color, or language; over three years of age; member of a sibling group to be adopted by one family; or adverse parental background (e.g., drug addiction, mental illness).

Age based grant levels conform to Foster Care Program foster family home rates, with eligibility reassessed every two years. Payments may continue until the child attains the age of 18 unless a mental or physical handicap warrants the continuation of assistance until the child reaches the age of 21.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 16115 through 16123.
- The caseload presumed to be eligible for the federal program accounts for 85 percent of the total AAP payment cases, based on data from January to June 1999, as captured on the county caseload and expenditure claims (AD 800).
- Caseload and expenditure data extracted from the AD 800 claims from January to June 1999 provide the basis for the monthly projected average grants and are projected separately for federal and nonfederal cases. The federal average grant is projected at \$518.82, and the nonfederal average grant is estimated at \$560.25.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP), which increased from 51.55 percent to 51.67 percent on October 1, 1999 and decreases to 51.25 percent on October 1, 2000.

### **METHODOLOGY:**

- Adoption assistance basic costs are the product of projected federal and nonfederal casemonths and the respective average grant, as identified above.
- AAP costs are then adjusted for the prior years' impact of the Adoption Initiative.

### **FUNDING:**

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Federal case costs ineligible for FFP are shared 75 percent state and 25 percent county. Funding for the nonfederal share of federal program costs is defined in statute at 75 percent state and 25 percent county.



## Adoption Assistance Program – Basic Costs

### CHANGE FROM PRIOR SUBVENTION:

This estimate reflects updated casemonths, average grants, and the percentage of cases eligible for FFP. The changes in the federal FMAP rate are also reflected in this estimate.

### REASON FOR YEAR-TO-YEAR CHANGE:

The Fiscal Year 2000-01 estimate reflects adjustments for caseload growth.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	33,490	38,070

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$192,041	\$217,890
Federal	81,407	91,832
State	82,978	94,543
County	27,656	31,515
Reimbursements	0	0

## **Elimination of Median Income Language (AB 390)**

### **DESCRIPTION:**

This premise reflects costs associated with the implementation of Assembly Bill (AB) 390 (Chapter 547, Statutes of 1999) which revised the adoptive program eligibility standards and revised the basis for determining the negotiated amount of the adoption assistance cash benefits. The amount of the adoption assistance payment is based on the child's needs and the prospective adoptive family's circumstances. Prior to AB 390, the statewide median income was used as a guideline for negotiations between the prospective adoptive family and the adoption agency to determine the amount of the payment to be received. AB 390 has removed the income guideline used to determine an adoptive family's monthly payment amount for the Adoption Assistance Program (AAP).

### **IMPLEMENTATION DATE:**

This premise implements on January 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16119.
- Based on data for Fiscal Year (FY) 1997-98, of the 3,255 finalized adoptions during that year, 72.8 percent (2,370) of the families signed an AAP agreement.
- A survey of six counties, conducted by Adoption Program staff, revealed that 43.12 percent of the families who signed AAP agreements had income above the statewide median income level. Of those cases above the statewide median income level, 12.65 percent signed a deferred agreement, 4.5 percent received Medi-Cal only benefits and 26 percent received a cash benefit.
- Based on input from Adoption Program staff it is assumed that elimination of the median income guideline would result in a 10 percent increase in those families above the statewide median income receiving a cash benefit.

### **METHODOLOGY:**

- To determine the potential increase to the AAP caseload, the total projected caseload is multiplied by 26 percent to estimate the amount of cases above the statewide median income level that will receive a cash benefit. This figure is then multiplied by 10 percent to reflect the increase in caseload due to the elimination of the statewide median income guideline.
- The caseload presumed to be eligible for the federal program accounts for 85 percent of the total AAP payment cases, based on data from January 1999 to June 1999, as captured on the county caseload and expenditure claims (AD 800).
- Caseload and expenditure data extracted from the AD 800 claims from January 1999 to June 1999 provide the basis for the monthly projected average grants and are projected separately for federal and nonfederal cases. The federal average grant is projected at \$518.82, and the nonfederal average grant is estimated at \$560.25.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP), which increases from 51.55 percent to 51.67 percent on October 1, 1999, and decreases to 51.25 percent on October 1, 2000.

## Elimination of Median Income Language (AB 390)

### METHODOLOGY (continued):

- The estimated impact to adoption assistance basic costs is the product of the projected increase in federal and nonfederal caseloads and the respective average grant as identified above.

### FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act for those cases meeting eligibility criteria, with the amount of FFP based on the FMAP rate. Federal case costs ineligible for FFP are shared 75 percent state and 25 percent county. Funding for the nonfederal share of federal program costs is defined in statute at 75 percent state and 25 percent county.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 1999-00 estimate reflects an implementation date of January 1, 2000. The FY 2000-01 estimate reflects full-year implementation and adjustments for caseload growth.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$2,748	\$6,245
Federal	1,165	2,632
State	1,187	2,710
County	396	903
Reimbursements	0	0

## Refugee Cash Assistance – Basic Costs

### DESCRIPTION:

This premise calculates the costs for the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees who have been in the United States for their first eight months and who are not otherwise eligible for the normal categorical welfare programs.

### KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the United States of America.
- Sections 13275 through 13282 in Chapter 5.5 of Part 3 of the Welfare and Institutions Code authorizes the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The average grant cost for the RCA adult from January to June 1999 was \$251.65. The average monthly caseload was 1,498.
- The RCA average grant cost and caseload will remain constant through Fiscal Year (FY) 2000-01.

### METHODOLOGY:

- The average grant costs for the RCA adult are multiplied by the estimated caseload for FY 1999-00 to arrive at a total RCA cost ( $\$251.65 \times 17,976 = \$4,523,660$ ).

### FUNDING:

The program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

### CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect more recent actual data.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$4,524	\$4,524
Federal	4,524	4,524
State	0	0
County	0	0
Reimbursements	0	0

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## Emergency Food Assistance Program Fund

### DESCRIPTION:

This premise reflects expenditures from contributions designated on state income tax returns for the Emergency Food Assistance Program (EFAP). Assembly Bill 2366 (Chapter 818, Statutes of 1998) established an EFAP fund which, upon appropriation by the Legislature, is allocated to the State Franchise Tax Board and State Controller's Office for reimbursement for their costs associated with administering the fund. The balance of the fund is directed to the California Department of Social Services (CDSS) for allocation to the EFAP.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- For the 1998 state income tax year, \$288,577 in contributions were made to the EFAP fund. For the 1999 state income tax year, the estimate assumes a slight increase in the level of contributions (\$300,000).
- In Fiscal Year (FY) 1998-99, the administrative costs for the Franchise Tax Board were \$8,657. Ongoing annual administrative costs for the State Franchise Tax Board and State Controller's Office are \$6,000 and \$1,000, respectively.
- These funds are provided to supplement, and not supplant, existing program funds.
- Legislation (Senate Bill 1249) appropriating funds from the EFAP fund to the CDSS for FY 1999-00 was vetoed by the Governor, for reasons unrelated to the EFAP fund. Legislative appropriation of the EFAP fund is anticipated for the FY 2000-01 Budget.

### METHODOLOGY:

The budget year reflects the sum of contributions designated for EFAP in both state income tax years 1998 and 1999 less annual administrative costs for the State Franchise Tax Board and State Controller's Office.

### FUNDING:

The costs are 100 percent from the EFAP fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

## Emergency Food Assistance Program Fund

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement in FY 2000-01.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$566
Federal	0	0
State	0	566
County	0	0
Reimbursements	0	0

## California Food Assistance Program

### DESCRIPTION:

This premise reflects the coupon and administrative costs associated with the California Food Assistance Program (CFAP). Assembly Bill (AB) 2779 (Chapter 329, Statutes of 1998) provides for a state-only food stamp program for legal noncitizens over 18 years of age, who were legally in the United States (U.S.) prior to August 22, 1996, and met all federal food stamp eligibility criteria except for the immigration status. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, provided that legal noncitizens were ineligible for federal food stamp benefits unless they were exempt. Legal noncitizens were terminated from the federal food stamp program in August 1997.

AB 1111 (Chapter 147, Statutes of 1999) expands CFAP eligibility to legal noncitizens, who entered the country on or after August 22, 1996, and are otherwise eligible, for the period beginning October 1, 1999, and ending September 30, 2000. California will purchase food stamp coupons from Food and Nutrition Service (FNS) to provide to recipients of the CFAP.

### IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The expanded CFAP implemented on October 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18930.
- The average monthly number of CFAP recipients in the base program is 87,338 in Fiscal Year (FY) 1999-00, and 81,892 in FY 2000-01.
- The number of legal noncitizens, who entered the country on or after August 22, 1996, and are eligible for both California Work Opportunity and Responsibility To Kids (CalWORKs) and food stamps, is based on data and assumptions used in the Recent Noncitizen Entrants premise item (described in a separate premise). Based on January through September 1998 Q5 data, 88.73 percent of CalWORKs cases also receive food stamps. The average monthly number of public assistance food stamp recipients (PAFS) in the expanded program is 2,223 in FY 1999-00, and 2,244 in FY 2000-01.
- The average monthly number of non-assistance food stamp (NAFS) recipients in the expanded program is 901 in FY 1999-00, and 908 in FY 2000-01.
- The monthly administrative costs for a NAFS case are \$9.74 in FY 1999-00, and \$9.07 in FY 2000-01. The costs for a PAFS case are \$10.98 in FY 1999-00, and \$11.04 in FY 2000-01. The costs are for "open" cases, which reflect a combined cost for both intake and continuing case activities. These costs are adjusted to reflect a state share for a combined case (citizen and noncitizen recipients). The state share is 32.32 percent of PAFS case costs and 34.81 percent of NAFS case costs. The state shares are based on the actual data reported by the counties for the months of September 1998 through June 1999.



## California Food Assistance Program

### KEY DATA/ASSUMPTIONS (continued):

- Based on actual data reported from the counties for September 1998 through July 1999, the state's share of the average coupon value per person is \$49.17.
- The coupon-processing fee charged by FNS is \$2,800 per \$1 million in coupons. The processing fee for electronic benefit transfer (EBT) counties is \$314 per million.
- The EBT counties represent 11.12 percent of the allotment costs.
- The ratio between non-assistance (NA) and public assistance (PA) is 28.86 percent NA and 71.14 percent PA in FY 1999-00, and 28.80 percent NA and 71.20 percent PA in FY 2000-01. The ratios are projected based on the actual number of recipients reported from counties through July 1999.
- Based on the actual number of persons per case reported for the period July 1998 through June 1999, the number of persons is 2.18 in a NA case and 2.90 in a PA case.
- The PA costs are considered eligible expenditures for the State's maintenance of effort (MOE) requirement. The NA costs are not considered MOE eligible.
- The estimate assumes that actual trend caseload data reflects naturalization, beginning September 1998 for legal noncitizens, 18-64 years old, terminated from the federal food stamp program between April and August 1997, as part of PRWORA. According to the Immigration and Naturalization Service, applicants for citizenship are naturalizing over an 18 to 24 month period. It is assumed that legal noncitizens who applied for citizenship in April 1997, naturalize in September 1998, and those who applied in August 1997, naturalize in January 1999.
- The estimate includes the coupon costs and administrative savings associated with the implementation of AB 510 (Chapter 826, Statutes of 1999), a quarterly reporting system (described in a separate premise) which will replace the current monthly reporting system, effective July 1, 2000. Coupon costs include those for overpayments made due to the change from monthly to quarterly reporting. Administrative savings are achieved from not processing two thirds of the monthly reports each month as a result of the quarterly reporting system.

### METHODOLOGY:

- The number of CFAP recipients for the base program (18 to 64 years old) is projected using the actual number of recipients reported from counties through July 1999, and then applying the CalWORKs and NAFS trend forecasts from the November 1999 Subvention on a monthly basis.
- The number of PAFS recipients for the expanded program is based on the numbers of CalWORKs family groups (FG) and unemployed (U) parents basic persons multiplied by the ratio of recent noncitizen entrants. The resulting caseload is multiplied by the percent of CalWORKs cases that also receive food stamps.
- The number of NAFS recipients for the expanded program is based on the projected number of PAFS recipients for the expanded program and applying the NAFS to PAFS ratio of recipients in the base program. The ratios are 28.86:71.14 percent in FY 1999-00, and 28.80:71.20 percent in FY 2000-01.

## California Food Assistance Program

### METHODOLOGY (continued):

- The monthly number of NAFS recipients was divided by the number of recipients per NAFS household to determine the number of NAFS households. The monthly number of PAFS recipients was divided by the number of recipients per PAFS household to determine the number of PAFS households.
- The monthly numbers of NAFS and PAFS households were multiplied by the NAFS and PAFS open case costs respectively to determine the monthly administrative costs. Both the NAFS and PAFS open case costs have been adjusted to reflect the state share of costs. The PAFS open case cost is further adjusted by the FY 1999-00 PA to NA fund shift (0.2554). The monthly costs were totaled to determine the annual administrative costs.
- The monthly number of recipients was multiplied by the average coupon value per person to determine the coupon costs.
- The coupon processing costs were determined by multiplying the charges per million dollars in coupons by the coupon value.

### FUNDING:

These expenditures are General Fund only. The PA portion of the costs is eligible to be counted towards the MOE requirement.

### CHANGES FROM PRIOR SUBVENTION:

The legislature expanded eligibility for CFAP benefits to legal noncitizens who entered the country on or after August 22, 1996, and the associated costs were reflected in the final FY 1999-00 Appropriation. Current year administration was held to the appropriation. Costs were updated using the most current actual data.

### REASON FOR YEAR-TO-YEAR CHANGES:

Coupon and administrative costs associated with the expanded CFAP population are included for nine months of FY 1999-00 and three months for FY 2000-01, due to the September 2000 sunset date. The impact of changing from a monthly to quarterly reporting system is included effective July 1, 2000.

### CASELOAD:

	1999-00	2000-01
*Average Monthly Number of Recipients	97,270	85,078

\*This includes the average monthly number of recipients for the expanded CFAP from October 1, 1999, through September 30, 2000.

## California Food Assistance Program

### EXPENDITURES:

(in 000's)

	1999-00			2000-01		
	Grant	County	Admin.	Grant	County	Admin.
Total	\$57,485		\$5,783	\$51,645		\$3,189
Federal	0		0	0		0
State	57,485		5,783	51,645		3,189
County	0		0	0		0
Reimbursement	0		0	0		0

## **California Work Opportunity and Responsibility to Kids (CalWORKs) Services – Welfare-to-Work Match**

### **DESCRIPTION:**

This Welfare-to-Work (WtW) Match premise reflects the State General Fund (GF) amount required as a match for the federal WtW grants. These WtW match funds are designated for allocation to the counties to supplement the CalWORKs employment services activities. The federal Balanced Budget Act of 1997, Public Law 105-33, authorizes the U. S. Department of Labor (DOL) to provide Welfare-to-Work grants to states and local communities to create additional job opportunities for the hardest to employ recipients of Temporary Assistance for Needy Families (TANF) Program benefits. The federal statute generally defines the “hard to employ” as recipients on welfare more than 30 months who are the most difficult to serve because of lack of education, substance abuse problems, or poor work history. The job creation activities include wage subsidies, on-the-job training, job placement, noncustodial parents’ services and post-employment services.

The Employment Development Department (EDD) is the single state agency responsible for receipt of the WtW grant. EDD submitted its state plan to DOL in March 1998, and upon the plan’s approval by DOL, EDD had 30 days to allocate 85 percent of the federal funds on a formula basis to the 52 private industry councils to train and place welfare clients in jobs. The remaining 15 percent was retained for use in other Welfare To Work projects.

California will receive a total of \$367 million of federal WtW formula grant funds from DOL (\$194 million in the first year and \$173 million in the second year) for employment services. These grants are required to be matched on a 2:1, federal:state, basis. Use of funds within the CalWORKs Program as a match is permitted as long as the match is expended on eligible recipients under the WtW definitions.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- The total required GF match required is \$183,823,062.
- \$95 million must be expended by June 30, 2001.
- It is assumed that the counties will be able to expend \$25 million in WtW match funds in Fiscal Year (FY) 1999-00.
- A total of \$60 million in WtW match funds must be expended in FY 2000-01 to meet the match requirement. Of those funds, \$58.9 million will be spent at the county level and the remaining \$1.1 million will be spent on state operations.

### **METHODOLOGY:**

- The \$25 million match in the FY 1999-00 reflects the current year appropriation.
- The \$60 million in GF match in FY 2000-01 reflects the amount of matching funds that must be expended by the end of the budget year.

## California Work Opportunity and Responsibility to Kids (CalWORKs) Services – Welfare-to-Work Match

### FUNDING:

The match is 100 percent GF. This WtW match cannot be applied toward the TANF maintenance of effort requirement.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in expenditures in FY 2000-01 reflects the amount of federal funds required by the end of the budget year.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$25,000	\$58,997
Federal	0	0
State	25,000	58,997
County	0	0
Reimbursements	0	0

## SSI/SSP – Basic Costs

### DESCRIPTION:

This premise reflects the basic costs for the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program. The SSI Program, authorized by Title XVI of the Social Security Act, replaced the prior federal/state matching grant program of adult assistance to the aged, blind, and disabled in January 1974. The SSI/SSP Program is a cash assistance program for low-income aged, blind, and disabled persons. California opted to supplement the SSI payments, creating the SSP Program. The Social Security Administration (SSA) administers the SSI/SSP Program at California's option.

The maximum amount of aid is dependent on the following factors:

- Whether one is aged, blind, or disabled;
- The living arrangement;
- Marital status; and
- Minor status.

As a result of the various factors determining the maximum amount of aid, there are 19 different payment standards in the SSI/SSP Program.

### KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Section 1611 of Title XVI defines the amount of SSI benefits an individual may be eligible to receive.
- Section 12200 of the Welfare and Institutions Code defines the maximum payment standard available under each living arrangement.
- The basic costs per case for SSI and SSP were developed from actual state and federal expenditures reported on the State Data Exchange (SDX) and the SSA 8700 reports. The SSI and SSP basic grants were based on the March through June 1999 SDX average grants and are as follows:

	SSI	SSP
Aged	\$253.19	\$179.50
Blind	307.87	226.23
Disabled	342.47	182.10

### METHODOLOGY:

The SSI/SSP basic costs are computed for each aged, blind, and disabled component, then summed to produce total basic costs. Both the SSI and SSP basic average grants were adjusted to exclude the effects of Title XIX payments. The adjusted average grants were multiplied by the estimated caseloads to arrive at a Title XIX adjusted basic cost. Estimated Title XIX expenditures were then added to total basic costs. This item represents the cost of the SSI/SSP Program without premises.

## SSI/SSP – Basic Costs

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Costs for each component are computed separately.

### CHANGE FROM PRIOR SUBVENTION:

Average grants and caseloads were updated based on more recent actuals.

### REASON FOR YEAR-TO-YEAR CHANGE:

Expenditures increase due to increase in caseload.

### CASELOAD:

	1999-00	2000-01
Average Monthly Persons	1,063,819	1,090,783

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$6,256,670	\$6,421,311
Federal	3,959,510	4,065,224
State	2,297,160	2,356,087
County	0	0
Reimbursements	0	0

## SSI/SSP – January 2000 COLA

### DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2000. The total payment an individual receives increases on January 1, 2000, by the California Necessities Index (CNI), which will increase by 2.36 percent. SSI grants are adjusted annually by the Consumer Price Index (CPI), which is 2.4 percent for 2000. Effective January 1, 2000, unearned income, generally Title II Social Security benefits, is also increased by the CPI.

### IMPLEMENTATION DATE:

This premise will implement on January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CNI is 2.36 percent. The CPI is 2.4 percent.

### METHODOLOGY:

- The SSI and SSP average grants increase as a result of the COLAs. The CNI is applied to the total 1999 payment standard and then rounded to the nearest dollar for the new total payment standard. The CPI is applied to the SSI standard and the result is the new SSI standard. The new SSI standard is subtracted from the new total payment standard; the result is the new SSP standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2000 COLA.

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Each component is costed separately.

### CHANGE FROM PRIOR SUBVENTION:

The CPI estimate was updated from 2.2 percent to 2.4 percent.

### REASON FOR YEAR-TO-YEAR CHANGE:

The COLAs are effective January 1, 2000, and have a six-month effect in current year and a full year effect in budget year.



## SSI/SSP – January 2000 COLA

### EXPENDITURES:

(in 000's):

	1999-00	2000-01
	Grant	Grant
Total	\$75,841	\$154,628
Federal	48,596	99,104
State	27,245	55,524
County	0	0
Reimbursements	0	0

## SSI/SSP – January 2001 COLA

### DESCRIPTION:

This premise reflects the impact of cost-of-living adjustments (COLAs) given to Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program recipients effective January 1, 2001. The total payment an individual receives increases on January 1, 2001, by the California Necessities Index (CNI), which will increase by an estimated 3.61 percent. SSI grants are adjusted annually by the Consumer Price Index (CPI), which is estimated at 3.2 percent for 2001. Effective January 1, 2001, unearned income, generally Title II Social Security benefits, is also increased by the CPI.

### IMPLEMENTATION DATE:

This premise will implement on January 1, 2001.

### KEY DATA/ASSUMPTIONS:

- Section 1617 of Title XVI of the Social Security Act authorizes the COLA for SSI recipients.
- Section 12201 of the Welfare and Institutions Code authorizes the COLA for SSP recipients.
- The CNI is estimated at 3.61 percent. The CPI is estimated at 3.2 percent.

### METHODOLOGY:

- The SSI and SSP average grants increase as a result of the COLAs. The CNI is applied to the total 2000 payment standard and then rounded to the nearest dollar for the new total payment standard. The CPI is applied to the SSI standard and the result is the new SSI standard. The new SSI standard is subtracted from the new total payment standard; the result is the new SSP standard.
- The new payment standards are used in a statistical model to determine a change to the basic SSI/SSP average grant due to the COLAs. The change in average grant is multiplied by the caseload and the result is the change to the SSI/SSP Program for the January 2001 COLA.

### FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. Each component is costed separately.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The COLAs are effective January 1, 2001, and have a six-month effect in budget year only.

## SSI/SSP – January 2001 COLA

### EXPENDITURES:

(in 000's):

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$125,886
Federal	0	70,780
State	0	55,106
County	0	0
Reimbursements	0	0

## Disability Evaluation Procedures Clarification

### DESCRIPTION:

This premise represents the costs and savings associated with the revised standards and procedures specified in accordance with Social Security Ruling, SSR 99-3p, of the Social Security Administration's (SSA) standards for determining disability and blindness for individuals age 65 or older under Title XVI. The revised standards would result in a higher number of aged noncitizens qualifying as disabled, thereby reducing Cash Assistance Program for Immigrants (CAPI) program costs and increasing Social Security Income/State Supplementary Payment (SSI/SSP) program costs.

### IMPLEMENTATION DATE:

This premise implemented on June 22, 1999.

### KEY DATA/ASSUMPTIONS:

- In accordance with 20 CFR 402.35(b)(1), the Commissioner of Social Security gave notice of SSR 99-3p, which clarifies the SSA's standards and procedures for the adjudication of disability and blindness claims for individuals age 65 or older under Title XVI. Under the new standards:
  - ◆ For any individual age 65 or older whose illiteracy in English or inability to communicate in English limits his/her vocational scope, a finding of disabled is warranted unless the individual's past relevant work was skilled or semi-skilled and provided the individual with transferable skills.
  - ◆ If an individual age 72 or older has a medically determinable impairment, that impairment will be considered to be "severe". Medically determined impairments include osteoporosis, arthritis, diabetes, impairments of vision, hearing, and memory, back pains, and other impairments commonly associated with the aging process.
- The Disability Evaluation Division has 2,300 applications under review for the period September 1997 through July 1999. Of the total, 75 percent are current CAPI cases, with an 85.5 percent rate of approval to qualify as disabled (1,475 cases). The remaining 25 percent of cases are additional SSI/SSP cases, with an approval rate of 85.5 percent (492 cases).
- The CAPI applications (1,423 cases) for June-July 1999 are not included in the applications to be reviewed by SSA. It is assumed 75 percent will be referred back to SSA with an 85.5 percent approval rate (912 cases).
- The new standards will result in a reduction in CAPI average monthly caseload of 3,123 cases and an increase in SSI/SSP average monthly caseload of 3,615 for the FY 1999-00.
- Premise savings and costs were calculating using the average grant of \$588.62. The average monthly grant was estimated from the noncitizens currently receiving SSI/SSP who were going to lose their benefits on October 1, 1998. The average grant was adjusted for the change in the CPI and CNI for January 2000 and January 2001.
- The Department will be reimbursed \$13.9 million by SSA for the 1,475 CAPI cases that would have qualified for SSI/SSP under the new standards (represents costs for 12 months).
- Ongoing administration savings are based on 150 percent of the cost the Department of Health requires to administer Medi-Cal cases on a month-to-month basis (\$20.00 x 150 percent = \$30.00).

## Disability Evaluation Procedures Clarification

### METHODOLOGY:

- The CAPI caseload is estimated by multiplying the CAPI applications to be referred back to SSA (75 percent of applications held) by 85.5 percent ( $2,792 \times 0.855 = 2,387$ ). Beginning February 2000, the monthly caseload is determined by applying the approval rate to cases to be redetermined starting in December 1999, and adding these cases to the prior month's caseload.
- The additional SSI/SSP caseload is the number of CAPI cases calculated above plus the estimated number of SSI/SSP cases currently being held for review (25 percent of applications held) multiplied by 85.5 percent ( $575 \times 0.855 = 492$ ).
- The CAPI savings are determined by multiplying the number of affected cases each month by the average grant. Ongoing administrative savings are determined by multiplying the number of cases saved each month by the ongoing administrative cost of \$30.00 per case.
- The SSI/SSP costs are determined by multiplying the number of new SSI/SSP cases each month by the average grant. Administrative costs are determined by multiplying the number of cases by the administrative cost per case of \$7.60 (\$7.80 as of October 1999; \$8.10 as of October 2000).

### FUNDING:

For the additional SSI/SSP costs, the SSI portion is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent State General Fund. CAPI savings are 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to increasing caseload and the cost of living adjustments to the average grant.

### CASELOAD:

	1999-00	2000-01
Average Monthly Persons	-3,123	-9,430

### EXPENDITURES:

(in 000's)

CAPI	1999-00	2000-01
Grant		Grant
Total	-\$37,291	-\$72,908
Federal	0	0
State	-37,291	-72,908
County	0	0
Reimbursements	0	0

## Disability Evaluation Procedures Clarification

### EXPENDITURES (continued):

(in 000's)

SSI/SSP	1999-00	2000-01
	Grant	Grant
Total	\$26,231	\$74,097
Federal	17,695	49,879
State	8,536	24,218
County	0	0
Reimbursements	0	0

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## **SSI/SSP – SSP Administration**

### **DESCRIPTION:**

The Social Security Administration (SSA) formerly administered the Supplemental Security Income/ State Supplementary Payment (SSI/SSP) Program benefit payments without charge to the states. The Omnibus Budget Reconciliation Act of 1993 shifted costs for administration of SSP to the State, effective October 1, 1993. It also provided for additional service fees to be charged if SSA provides services beyond the expected level, such as payment standard reductions or increases made on other than the normal January 1 schedule.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1993.

### **KEY DATA/ASSUMPTIONS:**

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to the administration fees for SSP payments. For each federal fiscal year (FFY) from 1998-2002, administration fees will increase initially from \$5.00 per payment to \$8.50 per payment in FFY 2002. Increases after FFY 2002 will be based on the Consumer Price Index.
- The fee per payment effective October 1, 1998 is \$7.60. Effective October 1, 1999, the fee per payment is \$7.80. Effective October 1, 2000, the fee will be increased to \$8.10 per payment.

### **METHODOLOGY:**

The projected number of payments is based on the projected caseload plus the six-month moving average of the difference between the actual caseload and the number of payments. The projected number of payments is then multiplied by the respective cost per payment.

### **FUNDING:**

The administration costs consist of 100 percent General Fund.

### **CHANGE FROM PRIOR SUBVENTION:**

This premise was updated based on more recent caseload actual data.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

On October 1, 1999, the fee increased from \$7.60 to \$7.80 for each check written by the SSA. On October 1, 2000, the fee will increase to \$8.10 for each check written.



## SSI/SSP – SSP Administration

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	1,086,338	1,113,319

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$101,036	\$107,222
Federal	0	0
State	101,036	107,222
County	0	0
Reimbursements	0	0

## **Cash Assistance Program for the Aged, Blind, and Disabled Legal Immigrants (CAPI)**

### **DESCRIPTION:**

This premise represents the costs to implement Assembly Bill (AB) 2779 (Chapter 329, Statutes of 1998), which added Chapter 10.3 to the Welfare and Institutions Code (W&IC) establishing the CAPI Program. The CAPI Program will provide benefits to aged, blind, and disabled legal immigrants who successfully complete an application process. The benefits received will be equivalent to those benefits that these immigrants would have received if they were eligible for the Supplemental Security Income and/or State Supplemental Payment (SSI/SSP) Program. This premise includes costs for both the grants and the administrative costs necessary for implementation.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Chapter 10.3 of the W&IC gives the California Department of Social Services the authority to administer the CAPI Program.
- Section 18940 of the W&IC states that the CAPI Program will be governed by the same federal and state regulations which govern the SSI/SSP Program.
- Section 18941 of the W&IC authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP Program, except that the schedule for individuals and couples shall be reduced \$10 per individual and \$20 per couple per month.
- Under existing law, the CAPI Program becomes inoperative on July 1, 2000, unless a later enacted statute deletes or extends the date. AB 1111 (Chapter 147, Statutes of 1999) extends the CAPI Program indefinitely.
- The estimated average number of new CAPI applicants is 170 per month through June 2001. Initial applications were 5,020 for November and December 1998 and decreased 65 percent in March 1999 to 1,735. New applications are projected using a linear trend forecast based on actual data through July 1999.
- Based on eight months (December 1998 through July 1999) of actual data, the application approval rate is 61 percent.
- The average monthly number of CAPI cases is 11,162 in FY 1999-00, and 12,192 in FY 2000-01.
- A total average monthly grant was estimated at \$588.62. The average monthly grant was estimated from the noncitizens currently receiving SSI/SSP who were going to lose their benefits on October 1, 1998. The average grant was adjusted for the change in the Consumer Price Index (CPI) and California Necessities Index (CNI) for January 2000 and January 2001.
- These people are not eligible for SSI/SSP benefits due to Public Laws 104-193 and 105-33.
- Estimated administration costs are based on an initial application processing time of eight hours per application.
- An average eligibility worker (EW) cost per hour of \$51.69 was used to determine the cost per application (8 hours x \$51.69 = \$413.52 cost per application).

## Cash Assistance Program for the Aged, Blind, and Disabled Legal Immigrants (CAPI)

### KEY DATA/ASSUMPTIONS (continued):

- Ongoing administration costs are based on 150 percent of the cost the Department of Health requires to administer Medi-Cal cases on a month-to-month basis ( $\$20.00 \times 150 \text{ percent} = \$30.00$ ). The Department assumes a higher cost because of the implementation timelines and the use of a manual system to administer the program.
- Redeterminations of CAPI recipients will begin in December 1999 as required by Section 18938 of the W&IC. The redetermination period is estimated at one and one half-hour of an EW's time ( $\$51.69 \times 1.5 = \$77.54$ ).

### METHODOLOGY:

- The initial caseload is estimated by multiplying the applications received in November and December 1998 by 61 percent ( $5,020 \times 0.61 = 3,060$ ). There are three cases that qualified for benefits in October 1998, which brings the initial caseload to 3,063. The monthly caseload is determined by applying the approval rate to the new applications and adding the new cases to the prior month's caseload.
- The initial application costs are determined by multiplying the number of new cases each month by the initial application cost of \$413.52 in FY 1999-00, and \$420.84 in FY 2000-01. Ongoing administrative costs are determined by multiplying the number of ongoing cases each month by the ongoing administrative cost of \$30.00 per case. The redetermination costs begin in February 2000 and are determined by multiplying the December 1998 caseload by \$77.54. These figures are then added together to determine the monthly administrative costs for the program.

### FUNDING:

This program is 100 percent State General Funds.

### CHANGE FROM PRIOR SUBVENTION:

The prior subvention assumed the sunset of the program as of July 2000. Additionally, changes are due to a revised caseload projection based on a higher application approval rate and adjustments for the most recent actual and projected CPI and CNI.

### REASON FOR YEAR-TO-YEAR CHANGE:

The CAPI caseload and average grant increase from current year to budget year.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$85,902	\$94,552
Federal	0	0
State	85,902	94,552
County	0	0
Reimbursements	0	0

## **Personal Care Services Program/Residual IHSS Basic Costs**

### **DESCRIPTION:**

This premise reflects the costs for the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a federal financial participation eligible service. This portion of the IHSS Program is known as the Personal Care Services Program (PCSP). The portion of the IHSS Program that is funded solely by the State and counties is known as the Residual Program.

IHSS enables eligible persons to remain in their own homes as an alternative to out-of-home care. Eligible persons are aged, blind or disabled recipients of public assistance and similar persons with low incomes. Most recipients eligible for the IHSS Program are eligible for PCSP. Those persons not eligible for PCSP are served in the Residual Program.

The following services are PCSP eligible services: domestic services such as meal preparation, laundry, shopping and errands; nonmedical personal care services; assistance while traveling to medical appointments or to other sources of supportive services; teaching and demonstration directed at reducing the need for supportive services; and certain paramedical services ordered by a physician.

The Residual Program serves the following individuals not eligible for PCSP: domestic services only cases, cases requiring protective supervision tasks, cases with spousal providers, cases where parents provide services to their own minor children, income eligible cases with a share of cost (SOC), recipients who receive advance pay, recipients who receive a restaurant meal allowance (RMA), and cases where recipients are covered by third party insurance. The RMA is provided to IHSS recipients who need help with meal preparation and cleanup, or who need to purchase meals.

IHSS services can be delivered in any of three service delivery modes. Those modes are the individual provider (IP) mode, the county contract (CC) mode, and the welfare staff (WS) mode. The WS mode is also referred to as the county homemaker mode. The IP mode consists of an individual, hired by the recipient, who provides services to the recipient. The CC mode provides for IHSS services to be performed by a service provider under contract with the individual counties. The service provider employs the individuals who provide the services to the recipient. The WS mode consists of county employees who provide services to the recipient.

The State Compensation Insurance Fund (SCIF), under contract, administers the workers' compensation (WC) insurance for the IPs providing services for IHSS recipients.

The Department of General Services (DGS), under contract, acts as agent for the Department in the management and supervision of SCIF. DGS also monitors high cost cases (\$50,000 and over in paid costs) on a quarterly basis.

The IHSS Case Management Information and Payrolling System, under contract with Electronic Data Systems, provides the Department and the counties with information regarding wages, taxes, hours per case, cost per hour, PCSP and Residual Program caseload and funding ratios, SOC, RMA, and number providers in the IP mode. Please see the IHSS Case Management Information and Payrolling System (CMIPS) Premise for more information.

## Personal Care Services Program/Residual IHSS Basic Costs

### IMPLEMENTATION DATE:

The PCSP was implemented April 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The PCSP and Residual caseload projections are based on the actual percentages from January through June 1999, which were 67.7 percent and 32.3 percent, respectively.
- The IP mode of service accounts for 95.6 percent of the PCSP cases and 97.4 percent of the Residual cases. The CC and WS modes of service account for the remaining cases.
- The IP mode in both the PCSP and Residual Program averaged 78 hours per case for the January through June 1999 period.
- The estimated PCSP CC/WS average monthly hours per case are 45 hours at a cost per hour of \$11.68, based on actuals. The budget year cost per hour is assumed to increase by the cost-of-doing-business (CODB) percentage of 3.93 percent.
- The estimated Residual CC/WS average monthly hours per case are 22 hours at a cost per hour of \$10.35 based on actuals. The budget year cost per hour is assumed to increase by the CODB percentage of 3.93 percent.
- The PCSP IP wage rate is set at the \$5.75 per hour minimum wage rate. The Residual IP wage rate is set at the \$5.75 per hour minimum wage rate and is adjusted to reflect the effect of SOC. This results in an average net rate of \$5.41 per hour.
- The PCSP ratio of taxes to gross IP wages is 10.03 percent. The Residual ratio of taxes to gross IP wages, including SOC wages, is 6.92 percent. Both the PCSP and Residual tax rates are based on CMIPS wage and tax information for Calendar Year 1998.
- SCIF and DGS contract costs are split between the PCSP and the Residual Program based on the IP expenditure percentage, which is 69.9 percent in PCSP, and 30.1 percent in the Residual Program.
- The RMA cost per case is \$62.00.
- The RMA expenditures were maintained at \$740,000 for both Fiscal Years (FYs) 1999-00 and 2000-01.
- The cost of the SCIF contract for FY 1999-00 is \$20,200,000 and is estimated to increase 10 percent in the budget year.
- The cost of the DGS contract for FYs 1999-00 and 2000-01 is \$120,000 per year.

## **Personal Care Services Program/Residual IHSS Basic Costs**

### **METHODOLOGY:**

Residual and PCSP basic costs are individually computed by taking the estimated caseload multiplied by the average hours per case and the average cost per hour. The resulting wages are then increased by the tax percentage. The cost of the SCIF and DGS contracts is divided between the PCSP and Residual Program based on their respective expenditure percentages. The RMA cost (which is not PCSP eligible) is added to the Residual Program cost.

### **FUNDING:**

The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage (FMAP) rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000. The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the Residual Program, the state share is 65 percent of the total, and the county share is 35 percent. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate has been updated to reflect current data.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The year-to-year change is due to increased caseload, contract amounts and FMAP changes.

### **CASELOAD:**

	1999-00	2000-01
Average Monthly PCSP Caseload	155,470	163,590
Average Monthly Residual Program Caseload	74,199	78,082

## Personal Care Services Program/Residual IHSS

### Basic Costs

#### EXPENDITURES:

(in 000's)

PCSP	1999-00	2000-01
	Grant	Grant
Total	\$949,678	\$988,929
Federal	0	0
State	298,521	312,692
County	0	0
Reimbursements	651,157	676,237
Residual Program	1999-00	2000-01
	Grant	Grant
Total	\$411,773	\$437,578
Federal	0	0
State	267,653	284,426
County	0	0
Reimbursements	144,120	153,152

## **Case Management Information and Payrolling System (CMIPS) and Associated Costs**

### **DESCRIPTION:**

This premise reflects the costs associated with the operation and maintenance of the CMIPS. The existing CMIPS provides basic information gathering, storage functions and reports. The CMIPS is comprised of three components: case management, management information, and payroll processing.

#### **Case Management**

The CMIPS contains the case record of each individual recipient. The case record of each recipient contains information as to each individual's eligibility, needs assessment, share of cost, if appropriate, and all changes affecting the recipient's case. Notices of action, cost-of-living adjustments, and rate changes are generated by CMIPS, using data contained within CMIPS. The CMIPS allows data exchanges with other welfare systems and is used to establish Medi-Cal eligibility.

#### **Management Information**

The system provides management reports that include fiscal and statistical data on a case-by-case, worker-by-worker, office-by-office, county-by-county, and statewide basis. These statistical data are also sorted out by In-Home Supportive Services (IHSS) Residual Program and Personal Care Services Program (PCSP).

#### **Payrolling System**

This system provides for the authorization and issuance of warrants for semimonthly compensation for services provided by the individual provider mode. The payrolling system also prepares all employer tax forms and reports. Additionally, this component is utilized for bookkeeping, accounting and tax preparation purposes for the recipients, county welfare departments and California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract to CDSS, issues payroll checks to the individual providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.

The State Treasurer's Office (STO) under contract to CDSS, performs bank reconciliation of IHSS warrants, and redeems all valid warrants issued for the IHSS.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 12302.2.
- The CMIPS contract is currently held by Electronic Data Systems (EDS).
- EDS contract amounts are negotiated between EDS and CDSS.
- Contracts listed below show negotiated amounts between contractors and CDSS.
- The SCO and STO contracts are assumed to increase by the IHSS caseload growth percentages.



## Case Management Information and Payrolling System (CMIPS) and Associated Costs

### KEY DATA/ASSUMPTIONS (continued):

CMIPS COSTS	1999-00	2000-01
EDS	\$7,429,948	\$7,367,639
STO	313,495	329,859
SCO	2,395,097	2,520,121
Total Costs	\$10,138,540	\$10,217,619

### METHODOLOGY:

The amounts are totaled and then shared between the PCSP and Residual Program pro rata based on their percentages of January 1999 through June 1999 actual expenditures.

### FUNDING:

The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000. The nonfederal share is split 65 percent state and 35 percent county.

In the Residual Program, the state share is 65 percent of the total, and the county share is 35 percent.

### CHANGE FROM PRIOR SUBVENTION:

The estimate was updated based on changes in caseload.

### REASON FOR YEAR-TO-YEAR CHANGES:

FY 2000-01 increases due to the increasing caseload.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$10,139	\$10,218
Federal	0	0
State	4,213	4,258
County	2,268	2,293
Reimbursements	3,658	3,667

## **Case Management Information and Payrolling System (CMIPS) Contract Procurement**

### **DESCRIPTION:**

This premise reflects the costs for the Case Management Information and Payrolling System (CMIPS) automation project. The existing CMIPS provides basic information gathering, storage functions and reports. The CMIPS is comprised of three components: case management, management information and payroll processing.

As a result of legislation in 1978, Welfare and Institutions Code (W&IC) section 12302.2 mandated the California Department of Social Services (CDSS) to develop and maintain a payroll system to relieve recipients of their payrolling responsibility as employers of individual providers. In 1979, CDSS contracted with Electronic Data Systems (EDS) for the development and operation of CMIPS. CMIPS was originally established to process the payroll for In-Home Supportive Services (IHSS) providers. Since then, several system modifications have occurred, including the following: case management and management information functions; enhancements to process billings for the contractor provider mode; administration of the Personal Care Services Program (PCSP); and a county homemaker provider interface to establish an audit trail for PCSP funding. The current contract with EDS will expire on June 30, 2002, with a one-year department-option extension, if required. A replacement contract with an upgraded system will be required by that time.

CDSS will contract with the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center, for project management, implementation and network support for the new IHSS CMIPS. The IHSS CMIPS automation project proposes to replace the existing CMIPS with new technology to provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

### **IMPLEMENTATION DATE:**

This premise will implement on January 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: W&IC section 12302.2 authorizes the state to perform payrolling and related functions on behalf of IHSS recipients.
- EDS currently holds the CMIPS contract. The IHSS CMIPS automation project proposes to replace the existing CMIPS with new technology to provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

### **METHODOLOGY:**

CMIPS costs are detailed in the January 1999 Planning Advance Planning Document (PAPD) revised for a January 1, 2000, start date.

### **FUNDING:**

CMIPS costs are funded with 64.92 percent of the expenditures under PCSP, and 35.08 percent under the Residual IHSS Program. In PCSP, the federal financial participation amount is calculated at 51.67

## Case Management Information and Payrolling System (CMIPS) Contract Procurement

### FUNDING (continued):

percent to reflect the Federal Medical Assistance Percentage rate. The nonfederal share is 100 percent State General Fund (GF). In the Residual IHSS Program, the funding share is 100 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

Costs were updated to reflect the January 1999 PAPD revised for a January 1, 2000, start date.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year costs reflect a full year of funding as shown in the January 1999 PAPD revised for a January 1, 2000, start date.

### PCSP EXPENDITURES:

(in 000's)	1999-00 County Admin.	2000-01 County Admin.
Total	\$ 510	\$ 955
Federal	0	0
State	247	462
County	0	0
Reimbursements	263	493

### RESIDUAL EXPENDITURES:

(in 000's)	1999-00 County Admin.	2000-01 County Admin.
Total	\$ 223	\$ 410
Federal	0	0
State	223	410
County	0	0
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)	1999-00	2000-01
Total	\$ 733	\$1,365
CDSS	0	0
HHSDC	733	1,365

## **In-Home Supportive Services Income Eligible Shift**

### **DESCRIPTION:**

This premise reflects the costs and savings associated with shifting the income eligible population from the In-Home Supportive Services (IHSS) Residual Program to the Personal Care Services Program (PCSP). Assembly Bill 2779 (Chapter 329, Statutes of 1998) allows IHSS recipients who would be eligible for PCSP but for their incomes, to receive PCSP.

All recipients eligible for IHSS are eligible for PCSP, with these exceptions: domestic services only cases, protective supervision tasks, spousal providers, parent providers of minor children, income eligibles, advance pay recipients, and recipients covered by third party insurance. Recipients in these circumstances receive services under the Residual Program. This premise will provide PCSP for those Residual recipients deemed income eligible due to the fact that their income levels result in a share of cost (SOC) requirement in order to qualify for services. This premise will also provide for the State to pay the difference between a recipient's SOC and the lower Medi-Cal SOC.

### **IMPLEMENTATION DATE:**

This premise implemented on April 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 12305.1.
- This estimate uses the same caseload growth percentages, employer taxes, SOC, Title XIX, state, and county funding ratios and methodologies used in the PCSP/Residual IHSS Basic Costs Premise.
- The actual average from April through July 1999 shows that 12,509 persons are eligible to transfer from the Residual Program to PCSP with monthly expenditures of \$93,325.
- The estimate uses the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program percentages for individuals and couples. Individuals comprise 80.46 percent of the caseload, and couple members comprise 19.54 percent.
- The Medi-Cal income limits are \$600 and \$934 for individuals and couples, respectively.
- The SSI/SSP income levels for January 1999 are \$676 and \$1,201 for individuals and couples, respectively. For January 2000, the income levels are \$692 and \$1,229 for individuals and couples, respectively. For January 2001, the income levels are projected at \$715 and \$1,271 for individuals and couples, respectively.
- The one-time Case Management Information and Payrolling System modification cost for Fiscal Year (FY) 1999-00 is \$60,000.

## **In-Home Supportive Services Income Eligible Shift**

### **METHODOLOGY:**

#### Residual Program Savings

- The FYs 1999-00 and 2000-01 Residual Program savings estimates are derived by multiplying the average monthly cost times 12 months. The FY 2000-01 estimate is increased for caseload growth.

#### PCSP Cost

- The FYs 1999-00 and 2000-01 PCSP costs are derived by multiplying the average monthly cost times 12 months. The FY 2000-01 estimate is increased for caseload growth. The SOC buyout is then added to the state share. The SOC buyout for FY 1998-99 was not made and is therefore added to FY 1999-00.

#### Share of Cost Buyout

- The SOC buyouts are derived by subtracting the monthly Medi-Cal income limits for both individuals and couples from the monthly SSI/SSP limits to obtain the monthly SOC buyout amounts for each group. The couples SOC buyout is divided by two to obtain the SOC buyout amount for each couple member.
- The SSI/SSP percentages for individuals and couple members, 80.46 percent and 19.54 percent, respectively, are applied to the projected income eligible caseload.
- The estimated individual and couples caseloads are multiplied by the respective monthly SOC buyout amount for each group. For individuals, this amounted to \$76 in FY 1998-99, \$92 effective January 1, 2000, and \$115 effective January 1, 2001. For couple members, this amounted to \$133.50 in FY 1998-99, \$147.50 effective January 1, 2000, and \$168.50 effective January 1, 2001. The resulting monthly SOC buyout amounts are multiplied by 12 months. This annual figure represents the federal buyout amount that the State will assume on behalf of the income eligible population.

### **FUNDING:**

The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000. The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the Residual Program, the state share is 65 percent of the total, and the county share is 35 percent. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

The federal buyout is funded with 100 percent General Funds.

### **CHANGE FROM PRIOR SUBVENTION:**

This premise was updated to reflect actual caseloads and average cost information.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The increase in budget year is due to caseload increases.

## In-Home Supportive Services Income Eligible Shift

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	12,509	13,260

### EXPENDITURES:

(in 000's)

#### PCSP

	1999-00	2000-01
	Grant	Grant
Total	\$108,643	\$114,954
Federal	0	0
State	40,398	42,807
County	0	0
Reimbursements	68,245	72,147

#### Residual Savings

	1998-99	1999-00
	Grant	Grant
Total	-\$99,531	-\$105,503
Federal	0	0
State	-64,695	-68,577
County	0	0
Reimbursements	-34,836	-36,926

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## Public Authorities Services Reimbursement

### DESCRIPTION:

This premise reflects the Title XIX pass-through and county reimbursement for public authorities (PAs). Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs. A county board of supervisors may elect to establish a PA to provide for the delivery of In-Home Supportive Services (IHSS). PAs are separate entities from the county in which they operate. Employees of the PA shall not be employees of the county for any reason. PAs are the employer of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. IHSS recipients, however, retain the right to hire, fire, and supervise the work of any IHSS provider providing services to them.

A PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS through the establishment of a registry;
- The investigation of the qualifications and background of potential personnel;
- The establishment of a referral system under which IHSS personnel shall be referred to recipients;
- The provision of training for providers and recipients; and
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administration costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Services (CDHS) for final approval. After CDHS approves the rate, the PA can claim its PA costs.

The State is responsible for the State payroll system, unemployment insurance, and worker's compensation insurance for providers of IHSS who provide those services through a PA.

The counties are responsible for any increased costs to the IHSS Case Management, Information, and Payrolling System as a result of the creation of a PA.

In the current year, with regard to wage increases negotiated by the PAs, the state shall pay 80 percent and the counties 20 percent of the nonfederal share up to fifty cents above the hourly statewide minimum wage. In the budget year, the state shall participate in the normal sharing ratio of 65 percent of the nonfederal share in the wages and associated payroll taxes up to eighty-five cents above the minimum wage.

The State shares in the administration portion of the PA rate. The State share is 65 percent of the nonfederal share. The administration costs are addressed in the Public Authority Administration Reimbursement Premise.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.6.
- The Alameda County PA rate from July 1, 1999, through September 30, 1999, was \$6.71 per hour. This included \$6.00 for wages, \$0.59 for payroll taxes, and \$0.12 for administration costs. The rate was increased to \$6.99 per hour effective October 1, 1999, which included \$6.25 for wages, \$0.62 for payroll taxes, and \$0.12 for administration costs.



## Public Authorities Services Reimbursement

### KEY DATA/ASSUMPTIONS (continued):

- The Contra Costa County PA rate from July 1, 1999, through November 30, 1999, was \$6.36 per hour. This included \$5.75 for wages, \$0.46 for payroll taxes, and \$0.15 for administration costs. The county has requested an increase in the rate to \$7.80 per hour effective December 1, 1999, which would include \$7.02 for wages, \$0.63 for payroll taxes, and \$0.15 for administration costs.
- The Los Angeles County PA rate of \$6.77 started October 1, 1999, and included \$6.25 for wages, \$0.47 for payroll taxes, and \$0.05 for administration costs.
- The San Francisco County PA rate from July 1, 1999 through November 30, 1999, was \$9.03 per hour. This included \$7.00 for wages, \$0.73 for payroll taxes, \$1.23 for benefits, and \$0.07 for administration costs. The rate will increase to \$9.53 per hour effective December 1, 1999, which would include \$7.50 for wages, \$0.73 for payroll taxes, \$1.23 for benefits, and \$0.07 for administration costs.
- The San Mateo County PA rate from July 1, 1999 through November 30, 1999, was \$6.83 per hour. This included \$6.05 for wages, \$0.57 for payroll taxes, and \$0.21 for administration costs. The rate will increase to \$6.92 per hour effective December 1, 1999, which would include \$6.15 for wages, \$0.58 for payroll taxes, and \$0.19 for administration costs.
- The Santa Clara County PA rate is \$6.86 per hour. This includes an hourly wage rate of \$6.25, \$0.49 for payroll taxes, and \$0.12 for administration costs. Santa Clara County has an approved rate of \$7.40 to take effect on April 1, 2000. This includes an hourly wage rate of \$6.75, \$0.53 for payroll taxes, and \$0.12 for administration costs.
- Sacramento and Monterey counties have not submitted rate applications. It is assumed that both counties will have established rates by January 1, 2000, at the averages of the existing county rates of \$7.07. This would include \$6.38 for wages, \$0.58 for payroll taxes, and \$0.12 for administration costs.
- This estimate is based on actual IHSS Personal Care Services Program (PCSP) and Residual Program individual provider hours from July 1998 through July 1999. The projected PCSP and Residual hours are a linear trend projection based on the actuals. The projections were county specific.
- It is assumed that all established PA counties will increase the wage rate to a minimum of \$6.60 beginning July 1, 2000.

### METHODOLOGY:

The increase above the minimum wage and the additional tax amount are multiplied by the applicable number of hours.

### FUNDING:

The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000. The nonfederal share is split 65 percent state and 35 percent county, except as noted below. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

## Public Authorities Services Reimbursement

### FUNDING (continued):

In the Residual Program, the state share is 65 percent of the total, and the county share is 35 percent. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the current year, with regard to wage increases negotiated by the PAs, the state shall pay 80 percent and the counties 20 percent of the nonfederal share up to fifty cents above the hourly statewide minimum wage. In the budget year, the state shall participate in the normal sharing ratio of 65 percent of the nonfederal share in the wages and associated payroll taxes up to eighty-five cents above the minimum wage.

### CHANGE FROM PRIOR SUBVENTION:

This reflects additional counties with PA rates and the new sharing ratio for the current year based on the recent conference committee action. The appropriation contained these costs in the Public Authorities Services Augmentation line. Costs have decreased from the appropriated amounts due to the start dates of the public authority rates.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 increase is due to caseload growth, assumed changes in the PA rates, and full year implementation for existing counties.

### EXPENDITURES:

(in 000's)

PCSP	1999-00	2000-01
	Grant	Grant
Total	\$57,720	\$104,840
Federal	0	0
State	14,329	30,350
County	0	0
Reimbursements	43,391	74,490

Residual IHSS	1999-00	2000-01
	Grant	Grant
Total	\$16,349	\$30,454
Federal	0	0
State	8,454	18,179
County	0	0
Reimbursements	7,895	12,275

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## Public Authorities Administration Reimbursement

### DESCRIPTION:

This premise reflects the Title XIX pass-through, county reimbursement, and state share, for public authorities (PAs) administration expenditures. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of PAs. A county board of supervisors may elect to establish a PA to provide for the delivery of In-Home Supportive Services (IHSS). PAs are separate entities from the county in which they operate. Employees of the PA shall not be employees of the county for any reason. PAs are the employer of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment. IHSS recipients, however, retain the right to hire, fire, and supervise the work of any IHSS provider providing services to them.

A PA shall provide, but is not limited to, the following functions:

- The provision of assistance to recipients in finding IHSS through the establishment of a registry;
- The investigation of the qualifications and background of potential personnel;
- The establishment of a referral system under which IHSS personnel shall be referred to recipients;
- The provision of training for providers and recipients; and
- Other functions related to the delivery of IHSS.

The PA rate includes the hourly costs for wages, employer taxes, benefits, and administration costs. The PA rate cannot exceed 200 percent of the current minimum wage in order to qualify for federal financial participation. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Services (CDHS) for final approval. After CDHS approves the rate, the PA can claim its PA costs.

The State is responsible for the State payroll system, unemployment insurance, and worker's compensation insurance for providers of IHSS who provide those services through a PA.

The State shares in the administration portion of the PA rate. The state share is 65 percent of the nonfederal share.

The counties are responsible for any increased costs to the IHSS Case Management, Information, and Payrolling System as a result of the creation of a PA. The counties are required to use county-only funds to pay the county and state shares in both the Personal Care Services Program (PCSP) and the Residual IHSS Program. This includes payroll taxes of any increases in wages or benefits negotiated by the PA in excess of the current minimum wage rate. The service costs are addressed in the "Public Authority Services Reimbursement" premise.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.6.
- The current Alameda County PA administrative rate is \$0.12 per hour, which is assumed to continue for the budget year.

## Public Authorities Administration Reimbursement

### KEY DATA/ASSUMPTIONS (continued):

- The current Contra Costa County PA administrative rate is \$0.15 per hour, which is assumed to continue for the budget year.
- The Los Angeles County PA administrative rate of \$0.05 per hour started October 1, 1999, and is assumed to continue in the budget year.
- The current San Francisco County PA administrative rate is \$0.07 per hour, which is assumed to continue for the budget year.
- The San Mateo County PA administrative rate from July 1, 1999, through November 30, 1999, was \$0.21 per hour. The rate decreased to \$0.19 per hour as of December 1, 1999, which is assumed to continue for the budget year.
- The current Santa Clara County PA administration rate is \$0.12 per hour, which is assumed to continue for the budget year.
- Sacramento and Monterey counties have not submitted rate applications. It was assumed that both counties would have established rates by January 1, 2000, at the averages of the existing county rates of \$0.12 per hour, which was also assumed for the budget year.
- This estimate is based on actual PCSP and Residual individual provider hours from July 1998 through July 1999. The projected PCSP and Residual hours are a linear trend projection based on the actuals. The projections were done county specific.

### METHODOLOGY:

In both PCSP and Residual, the hourly administration rate was multiplied by the applicable number of hours.

### FUNDING:

The Title XIX federal sharing ratio is based on the Federal Medical Assistance Percentage rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000. The nonfederal share is split 65 percent state and 35 percent county. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

In the Residual Program, the state share is 65 percent of the total, and the county share is 35 percent. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

## Public Authorities Administration Reimbursement

### CHANGE FROM PRIOR SUBVENTION:

This reflects additional counties and updated PA rates.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase is due to caseload growth and full-year implementation for existing counties.

### EXPENDITURES:

(in 000's)

PCSP	1999-00	2000-01
	Grant	Grant
Total	\$5,677	\$7,406
Federal	0	0
State	2,214	2,342
County	0	0
Reimbursements	3,463	5,064

  

Residual IHSS	1999-00	2000-01
	Grant	Grant
Total	\$1,767	\$2,319
Federal	0	0
State	1,149	1,507
County	0	0
Reimbursements	618	812

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## **Tyler v. Anderson Settlement and Implementation**

### **DESCRIPTION:**

This premise reflects court settlement and implementation costs associated with the Tyler v. Anderson lawsuit. The Tyler v. Anderson lawsuit is the result of misinterpreting the coverage of range of motion services under the In-Home Supportive Services (IHSS) Program. As a result, some counties authorized range of motion services, while other counties did not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.

### **KEY DATA/ASSUMPTIONS:**

- The retroactive payments are for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- The range of motion services were classified as either rubbing of skin services or paramedical services.
- The minimum wage in effect during the period covered by Tyler v. Anderson was \$4.25 per hour.
- This estimate uses a tax to wages ratio of 9.79 percent.
- The settlement agreement calls for seven-percent simple interest to be paid on the retroactive wages. The interest payments will cover the period from FY 1990-91 through FY 1999-00. This premise assumes all claims will be paid in FY 1999-00.
- The Franchise Tax Board (FTB), under contract to CDSS, will locate potentially eligible clients. The FTB contract in FY 1999-00 is for \$45,000.
- This estimate assumes that 733,128 notices will be mailed out to potentially eligible claimants. This represents the number of recipients who received IHSS, and the number of IHSS service providers, for FYs 1990-91, 1991-92, and 1992-93.
- This estimate assumes a return rate of 4.12 percent, or 30,205 replies, based on the return rate from the Miller v. Woods case involving IHSS recipients.
- This estimate assumes a total of 4,462 valid claims will be paid. There was an average of 47,622 rubbing of skin and paramedical cases in the three months preceding the implementation of PCSP. There was an average of 52,184 rubbing of skin and paramedical cases in the two months following the one-year anniversary of the implementation of PCSP, which included range of motion as a covered service. The difference between the two caseloads, minus 2.19 percent natural program growth, is assumed to be the number of cases that would have been eligible for range of motion services.
- This estimate assumes a total of 73,642 monthly hours in each FY covered by the retroactive payments. There was a monthly average of 455,423 rubbing of skin and paramedical assessed hours in the three months preceding the implementation of PCSP. There was a monthly average of 530,714 rubbing of skin and paramedical assessed hours in the two months following the one-year anniversary of the implementation of PCSP, which included range of motion as a covered service. The difference between the two assessed monthly hours totals, minus 2.19 percent natural program growth, is assumed to be the number of monthly hours which would have been assessed for range of motion services.



## **Tyler v. Anderson Settlement and Implementation**

### **KEY DATA/ASSUMPTIONS (continued):**

- The administration costs associated with this premise are included in the IHSS Court Cases Premise.
- This premise will require one-time modifications to the IHSS Case Management, Information and Payrolling System (CMIPS). The estimated cost of the modifications is \$81,656.

### **METHODOLOGY:**

The average monthly number of cases with assessed rubbing of skin and paramedical hours for the three months preceding the implementation of PCSP is compared with the monthly average for the two months after PCSP had been implemented for one year. The difference between the two monthly averages is assumed to be due to the inclusion of range of motion as a covered service. The number of monthly cases and assessed hours is adjusted for caseload growth from FY 1992-93 to FY 1993-94. The resulting total is assumed to be the number of potentially valid cases and assessed hours.

The number of assessed hours was multiplied by the hourly wage rate. The resulting wage amount is multiplied by the tax to wage percent to arrive at total wages amount. The combined wage and tax amount is multiplied by 12 months to arrive at an annual total. The interest rate is applied to the annual total.

The costs of the CMIPS modifications and the FTB contract are included in the total.

### **FUNDING:**

Prior to FY 1992-93, Senate Bill 412 (Chapter 1438, Statutes of 1987) capped the county share at the FY 1987-88 level of expenditures. This estimate assumes that level of expenditure was met. The county share is limited to the costs for retroactive services for FY 1992-93. The FY 1992-93 county share was 35 percent of the nonfederal portion of expenditures. All other costs associated with this premise are funded with 100 General Funds. The county share of cost is reflected as a reimbursement, consistent with actual cash flow.

### **CHANGE FROM PRIOR SUBVENTION:**

Payments are now expected to begin in FY 2000-01.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

Payments are expected to begin in FY 2000-01.

### **EXPENDITURES:**

(in 000's)

	1999-00	2000-01
	County Grant	County Admin.
Total	\$0	\$21,137
Federal	0	0
State	0	19,695
County	0	0
Reimbursements	0	1,442

## Title XX Funding

### DESCRIPTION:

This premise reflects the amount of block grant for social services (Title XX) funds awarded to the State. Title XX funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal monies for social services have been given to states as Title XX since October 1981. Title XX is a federal block grant that does not require a state or county match. In order to qualify for these funds, a state must prepare and announce an expenditure plan prior to the start of the state fiscal year (SFY) which is consistent with the five federal service goals under Title XX. The five Title XX goals are:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children or adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Through SFY 1992-93, Title XX was used exclusively for In-Home Supportive Services (IHSS) Program costs. With the Title XIX Personal Care Services Program implemented in IHSS in 1993, Title XX funds are used in the IHSS Residual Program, with a portion of the Title XX funds shifted to other eligible programs. The use of Title XX funds for costs that otherwise would be State General Fund (GF) saves significant state dollars.

Currently, Title XX funding is used to meet Title XX goals in the following programs: IHSS (goals 3 and 4), Child Welfare Services (CWS) (goals 3 and 4) (transfer of \$111.0 million to the Department of Developmental Services (DDS)), Deaf Access Program (goals 1 and 2), Community Care Licensing (CCL) (goals 3 and 4), and Child Care (goals 1,2,3) (transfer of \$183.0 million Temporary Assistance for Needy Families (TANF) to Title XX funds.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in the IHSS Residual Program to supplant the state share without affecting county funds.
- In CWS, \$111.0 million in Title XX funds have been shifted to DDS.
- In the Deaf Access Program, \$3,200,000 Title XX funds will reduce an otherwise 100 percent GF program.
- For CCL, \$2,019,000 Title XX funds will be used for non-Title IV-E claimable costs.

## **Title XX Funding**

### **KEY DATA/ASSUMPTIONS (continued):**

- For Federal Fiscal Year (FFY) 1999, the Title XX award to California was \$228.1 million. For FFYs 2000 and 2001, the Title XX award is expected to decrease to \$212.1 million and \$203.1 million, respectively.
- The FFY awards are adjusted to conform to SFY funding needs.

### **METHODOLOGY:**

The level of Title XX funding is kept constant for the Deaf Access Program, CCL, and the transfer to DDS. For SFY 1999-00, the IHSS Program is funded at \$47.9 million. For SFY 2000-01, the IHSS Program is funded at \$44.0 million.

### **FUNDING:**

Title XX is a federal block grant that does not require a state or county match.

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate has been updated to reflect a reduced Title XX grant.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The year-to-year change reflects a decreased award in the budget year.

## Title XX Funding

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
<b><u>Title XX Total</u></b>	\$164,189	\$160,261
<b>IHSS (Item 111)</b>	\$0	\$0
Federal	47,970	44,042
State	-47,970	-44,042
<b>CWS (Item 151)</b>	\$111,000	\$111,000
Federal	111,000	111,000
State	0	0
<b>DEAF ACCESS (Item 151)</b>	\$0	\$0
Federal	3,200	3,200
State	-3,200	-3,200
<b>CCL (Item 151)</b>	\$0	\$0
Federal	2,019	2,019
State	-2,019	-2,019

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## **Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services**

### **DESCRIPTION:**

This premise reflects the level of reimbursement associated with Title XIX eligible services. Federal financial participation (FFP) is authorized under Title XIX of the federal Social Security Act (42 U.S.C., section 1396, et. seq.). Certain In-Home Supportive Services (IHSS) Program assessment and eligibility activities, and certain county services block grant (CSBG) activities, including adult protective services (APS), are eligible for Title XIX federal funding. Additionally, certain health-related (HR) activities in the Child Welfare Services (CWS) Program are eligible for these funds.

The California Department of Social Services has coordinated with the Department of Health Services to establish the necessary claiming processes to identify the applicable FFP.

### **KEY DATA/ASSUMPTIONS:**

#### **IHSS**

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12314.
- IHSS Personal Care Services Program (PCSP) activities are eligible for Title XIX funding at the Federal Medical Assistance Percentage (FMAP). Please see the PCSP/Residual IHSS Basic Costs and the Income Eligible Shift Premises for an explanation of Title XIX eligible expenditures.
- In IHSS administration, both PCSP and HR activities are eligible for Title XIX funding. Please see the IHSS Administration – Basic Costs and the IHSS Administration Premises for an explanation of Title XIX eligible expenditures.

#### **CWS**

- Authorizing statute: W&IC section 16500.
- The Title XIX funding in CWS is all HR.

#### **CSBG**

- Authorizing statute: W&IC sections 13004 through 13007 (CSBG) and sections 15703 through 15705.40 (APS).
- The Title XIX funding in CSBG and APS is all HR.

### **METHODOLOGY:**

#### **IHSS PCSP**

The Title XIX federal sharing ratio is based on the FMAP rate of 51.55 percent effective October 1, 1998. Effective October 1, 1999, the federal sharing ratio changed to 51.67 percent and is estimated to change to 51.25 percent effective October 1, 2000.

#### **IHSS Administration**

HR activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

## **Title XIX Reimbursement – In-Home Supportive Services/CSBG/Child Welfare Services**

### **METHODOLOGY (continued):**

#### CWS

For Fiscal Year (FY) 1999-00, the amount of \$29.9 million is based on the appropriation level. For FY 2000-01, the estimate of \$28.6 million was calculated using individual county usage rates developed from FY 1998-99 actual expenditures.

#### CSBG/APS

HR activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent. Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.

### **CHANGE FROM PRIOR SUBVENTION:**

The estimate has been updated to reflect current data.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The year-to-year change is due to an increase in Title XIX eligible expenditures.

### **EXPENDITURES:**

(in 000's)	1999-00	2000-01
	Grant	Grant
<b><u>Title XIX Total</u></b>	\$721,044	\$768,923
<b>PCSP Total</b>	\$623,740	\$676,572
IHSS Services Basic	577,977	623,362
IHSS Administration Basic	45,763	53,210
<b>Health-Related Total</b>	\$97,304	\$92,351
IHSS Administration	32,315	28,651
CWS	29,875	28,586
CSBG	14,762	14,762
APS	20,352	20,352

## **In-Home Supportive Services Administration – Basic Costs**

### **DESCRIPTION:**

This item reflects the costs of county welfare departments in administering the In-Home Supportive Services (IHSS) Program. Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Services to submit a Medicaid state plan amendment to the federal Health Care Financing Administration to include a portion of the IHSS Program as a covered service. The IHSS Program provides in-home services to the aged, blind and disabled to maintain the person in an independent living arrangement and to avoid institutionalization.

### **IMPLEMENTATION DATE:**

The Title XIX eligible Personal Care Services Program was implemented in April of 1993.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314.
- The social worker (SW) unit cost is estimated at \$56.86 per hour.
- The standard hours per case are 11.5 hours.
- The supported individual provider (SIP) component for Fiscal Year (FY) 1999-00 is estimated at \$11.4 million. The SIP component amounted to \$12.0 million for FY 2000-01.
- Activities to help Medi-Cal eligible adults are eligible for Title XIX reimbursement at either 75 percent or 50 percent, depending on the type of service provider.
- The non-health related costs are not eligible for Title XIX reimbursement.
- The estimated Title XIX reimbursement percentage of 48.14 percent is based on actual expenditure information as reported on the county administrative expense claim for July 1998 through June 1999.

### **METHODOLOGY:**

- For FY 1999-00, the administrative estimate was held at the appropriated level.
- For FY 2000-01, the estimate was developed by multiplying the caseload times the SW unit cost times hours per case. The SIP estimate was then added to the administrative estimate.



## In-Home Supportive Services Administration – Basic Costs

### FUNDING:

The state and county sharing ratios are 70 percent and 30 percent, respectively, of the nonfederal share. Title XIX funds are drawn down in accordance with Title XIX rules as provided above.

### CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect recent actuals.

### REASON FOR YEAR-TO-YEAR CHANGE:

The year-to-year change is due to increased caseload and SW unit cost.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	229,669	241,665

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$162,630	\$170,048
Federal	0	0
State	59,186	61,731
County	25,366	26,456
Reimbursements	78,078	81,861

## **In-Home Supportive Services (IHSS) Program Court Cases**

### **DESCRIPTION:**

This premise represents the administrative costs associated with implementing court settlements and estimated attorney fees.

### **KEY DATA/ASSUMPTIONS:**

#### Tyler v. Anderson:

- Tyler v. Anderson involves the denial of range of motion services to an IHSS recipient. The lawsuit is the result of misinterpreted instructions regarding coverage of range of motion services under the IHSS. As a result, some recipients were authorized range of motion services while others were not. Range of motion became a covered service with the implementation of the Personal Care Services Program (PCSP) in 1993. The plaintiffs who were denied those services sued for retroactive payment. The lawsuit was settled on January 22, 1999.
- This estimate assumes that 733,128 notices will be mailed out to potentially eligible claimants. This represents the number of recipients who received IHSS, and the number of IHSS service providers, for Fiscal Years (FYs) 1990-91, 1991-92, and 1992-93.
- This estimate assumes a return rate of 4.12 percent, or 30,205 replies, based on the return rate on the Miller v. Woods case involving IHSS recipients.
- This estimate assumes a total of 4,462 valid claims will be processed. Please see the “Tyler v. Anderson Settlement and Implementation” premise for more detailed information.
- The county staff time needed to screen and process the submitted claims is estimated at one and one-half hour per return, based on the Miller v. Woods case.
- The county staff time needed to process the valid claims is estimated at one and one-half hour per return, based on the Miller v. Woods case.
- This estimate uses the projected FY 1999-00 social worker unit cost of \$56.90 per hour.
- The estimated costs of printing, postage, and materials involved in mailing the notices, and replying to claimants is estimated at \$188,219.
- Costs for mailing and processing replies are assumed to occur in the current year and costs for processing valid claims is assumed for the budget year.

## In-Home Supportive Services (IHSS) Program Court Cases

### METHODOLOGY:

#### Tyler v. Anderson:

The cost for processing the replies was developed by multiplying the estimated number of replies by the screening and processing time by the social worker unit cost.

The cost for processing the estimated number of valid claims was developed by multiplying the estimated number of valid claims, adjusted for caseload growth, by the processing time by the social worker unit cost.

The estimated mailing costs were added to the two totals above.

#### Other Court Cases:

The costs for the other court cases represent attorney fees. These are state-only costs. FY 2000-01 costs for the other court cases are estimated at \$30,000.

### FUNDING:

IHSS attorney costs for FY 2000-01 are funded with 100 percent General Fund (GF). The Tyler v. Anderson administration costs are funded with the state and county administrative sharing ratios of 70 percent and 30 percent, respectively.

### CHANGE FROM PRIOR SUBVENTION:

The current year only includes costs for mailing and processing replies.

### REASON FOR YEAR-TO-YEAR CHANGE:

Costs for mailing and processing replies are assumed to occur in the current year and costs for processing valid claims is assumed for the budget year.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$2,766	\$730
Federal	0	0
State	1,936	520
County	830	210
Reimbursements	0	0

## Foster Care & NAFS Administrative Costs – Basic

### DESCRIPTION:

This premise reflects the administrative costs for the Foster Care (FC) and Non-Assistance Food Stamps (NAFS) Programs.

Basic administrative costs reflect county welfare department (CWD) budget requests as modified by a cost containment system pursuant to Welfare and Institutions Code (W&IC) section 14154.

### IMPLEMENTATION DATE:

This premise is an annual appropriation.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 14154.
- This estimate is based on the proposed county administrative budgets (PCABs) submitted by counties every March.
- The estimate includes increased costs from Fiscal Year (FY) 1999-00 to FY 2000-01 for FC of 2.93 percent for the cost of doing business
- A 1.8 percent projected caseload growth was included in the FC estimate.
- An adjustment for caseload decline, 6.4 percent, was made to the NAFS estimate.

### METHODOLOGY:

The FY 1999-00 estimate is being held at the appropriation level.

The FY 2000-01 estimate for NAFS administration cost is adjusted for the projected caseload decline of 6.4 percent. The FC estimate is increased by the 1.8 percent projected growth in caseload and by adding projected increased cost to the FY 1999-00 appropriation based on the actual change in expenditures between FYs 1997-98 and 1998-99.

### FUNDING:

<u>Unit Costs</u>	FY 1999-00	FY 2000-01
Eligibility Worker Cost per Hour		
Foster Care	\$52.80	\$54.35
NAFS	\$51.15	\$47.62

FC and NAFS costs are shared 50 percent federal, 35 percent state, and 15 percent county.

Note: W&IC section 15204.4 requires a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which include the administration of food stamps. Please reference the County MOE Adjustment Premise.

## Foster Care & NAFS Administrative Costs – Basic

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The estimate includes increased costs from FY 1999-00 to FY 2000-01 for FC of 2.93 percent for the cost of doing business and an estimated 1.8 percent caseload growth. For NAFS, the decrease is due to the adjustment made for the projected caseload decline of 6.4 percent.

### EXPENDITURES:

(in 000's)

<u>Foster Care</u>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$89,411	\$93,686
Federal	44,705	46,843
State	31,294	32,790
County	13,412	14,053
Reimbursements	0	0
<u>NAFS</u>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$321,795	\$291,095
Federal	162,096	146,750
State	122,174	110,881
County	37,525	33,464
Reimbursements	0	0

## Financial Audits

### DESCRIPTION:

This premise reflects the costs associated with providing financial assistance to group home and foster family agency providers for the conduct of annual financial audits. These payments are authorized under Senate Bill 933 (Chapter 311, Statutes of 1998).

As a condition to receive a foster care rate for a group home program or a foster family agency program that provides treatment services, the provider is required to have a financial audit conducted on an annual basis. In recognition of the fact that audit costs will be higher for small providers relative to their revenues and expenditures, financial assistance will be provided on a sliding scale basis to offset the costs of the audit to programs with a total licensed capacity of 12 or fewer persons.

### IMPLEMENTATION DATE:

This premise will become effective Fiscal Year (FY) 2000-01.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11466.21.
- An eligible provider may receive up to \$2,500 annually, or one-half of the costs of the actual audit, whichever is less.
- As of FY 1998-99, there were 700 group home programs. Of the total, 400 programs have a total capacity of 12 or fewer persons. As of FY 1998-99, there were 220 foster family agency providers, 110 of which are estimated to be eligible for reimbursement of financial audit costs. There are 510 eligible providers.
- Based on caseload growth of 1.6 percent, it is assumed there are 518 eligible providers in FY 1999-00.
- The average cost of a financial audit is estimated at \$5,000.
- Because this premise does not become effective until FY 2000-01, the costs for both 1999 and 2000 financial audits will be reimbursed in the budget year.

### METHODOLOGY:

The potential costs of providing financial assistance for the conduct of the audits is calculated by multiplying the number of eligible providers by the maximum reimbursement rate of \$2,500.

### FUNDING:

All costs consist of 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This premise has been changed to reflect a revised number of providers eligible for reimbursement.

## Financial Audits

### REASON FOR YEAR-TO-YEAR CHANGE:

All reimbursements are expected to occur within the budget year.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	County Admin.	County Admin
Total	\$0	\$2,570
Federal	0	0
State	0	2,570
County	0	0
Reimbursements	0	0

## County Administration Child Support – Basic Costs

### DESCRIPTION:

Child support administration costs are comprised of family support operation (FSO) county staff and overhead. As a branch of the district attorney's office, FSO staff carry out the Child Support Enforcement Program under Title IV-D of the Social Security Act. Their administrative duties include case intake and development, collection and distribution of child support, court preparation to establish paternity and support obligations, and the enforcement of support obligations, including locating absent parents.

Electronic Data Processing (EDP) maintenance and operations (M&O) funding enables 58 counties to continue their work in collecting child support in their respective counties. Additionally, funding is provided to former Statewide Automated Child Support System (SACSS) counties who operate through the California Health and Human Services Agency Data Center (HHSDC).

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 15200.95(a) and 10085(a), and Family Code section 17710(a).
- The CS 356.7 – Distribution Report of Total Expenditures (quarterly reports of administration expenditures of child support enforcement under Title IV-D) was used to determine the expenditures for Fiscal Years (FYs) 1997-98 and 1998-99.
- County needs for administration funds are based on the County Child Support Program Funding for State FY 1999-00 - 30 Day Request for Additional Funds allocation process.
- Estimated EDP M&O expenditures were based upon county data collected during the 30-Day Request process for EDP M&O.
- Use of a 11.44 percent weighted growth for FY 2000-01 was based on the growth between the sum (\$1,578,800,000) of FY 1999-00 assistance (\$548,500,000) and non-assistance (\$1,027,300,000) collections compared to the sum (\$1,756,100,000) of FY 2000-01 estimated assistance (\$576,700,000) and non-assistance (\$1,179,400,000).
- Use of a 3.61 percent Consumer Necessities Index (CNI) is based on the Department of Finance's forecast of change from December 1998 to December 1999.

### METHODOLOGY:

#### Administration:

- Completion of the allocation request process for child support administration costs for FY 1999-00 results in projected administration cost of \$631,217,000. The FY 2000-01 cost (\$726,215,000) is based on the 11.44 percent weighted growth and 3.61 percent CNI applied to the projected FY 1999-00 administration cost.



## County Administration Child Support – Basic Costs

### **METHODOLOGY (continued):**

#### EDP M&O:

- For FY 1999-00 the estimated costs of \$90.6 million were based on \$85.9 million from the 30 Day Request process for EDP M&O, and \$4.7 million to operate the former SACSS counties through the HHSDC. The FY 2000-01 cost of \$93.9 million is based on the 3.61 percent CNI applied to the projected FY 1999-00 EDP M&O cost.

#### Basic Costs:

- The combined total of administration, EDP M&O, and former SACSS counties operation costs for FY 1999-00 is \$721,844,000 and for FY 2000-01 is \$820,113,000.

### **FUNDING:**

The total costs are shared 66 percent federal and 34 percent county. The 34 percent county share is subsidized with the federal and State incentives earned from the State's total distributed collections as established pursuant to the funding provisions of Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

### **CHANGE FROM PRIOR SUBVENTION:**

This premise was based on information received from the counties 30-Day Request for Additional Fund allocation process.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The FY 2000-01 increase is a result of the 11.44 percent weighted growth and 3.61 percent CNI.

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

## County Administration Child Support – Basic Costs

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	<b>1999-00</b>	<b>2000-01</b>
	County Admin.	County Admin.
Total	\$721,844	\$820,113
Federal	476,417	541,275
State	0	0
County	245,427	278,838
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$721,844	\$ 0
CDSS	717,164	0
HHSDC	4,680	0

### DCSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$ 0	\$820,113
DCSS	0	815,433
HHSDC	0	4,680

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## Transitions and Enhancements

### DESCRIPTION:

This premise reflects the costs associated with transitioning counties from existing legacy systems to one of the four selected consortia systems and implementing enhancements to existing county child support automation systems. If it is determined necessary, Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999), requires the local child support agencies to modify their current automation systems or change to a different system in order to meet the goal of statewide automation.

Furthermore, AB 150 transferred responsibility for the development and implementation of the single statewide automated system from the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center, to the Franchise Tax Board (FTB), but left responsibility for interim systems management with HHSDC. The Child Support Pre-Statewide Interim Systems Management project at HHSDC, under the direction from the California Department of Social Services (CDSS), is responsible for ensuring the all counties will have an automation system that will allow them to continue their child support services while the single statewide automated child support system is being developed and implemented.

Previously, the Statewide Automated Child Support System (SACSS), under development to comply with these federal requirements, was terminated in November 1997. Cancellation of SACSS created a necessity for the State to implement interim alternative solutions to meet state and federal requirements. Counties had postponed implementing enhancements to their existing county systems in anticipation of SACSS. Some counties must now enhance existing systems, or transfer to one of the selected consortia systems, in order to continue operating the child support enforcement program during this interim period.

### IMPLEMENTATION DATE:

This premise implemented April 1, 1998.

### KEY DATA/ASSUMPTIONS:

The funding assumptions for Fiscal Year (FY) 1999-00 are consistent with AB 150 and reflect the State sharing in the counties' cost to meet mandated requirements and to transition to viable systems.

- Transitions

Although a single statewide system will be implemented, counties may be required to transition to one of the four selected consortia systems during the interim period, if the State determines the transition is in the best interests of the State for meeting interim period goals and/or statewide automation goals.

The four consortia systems are:

- ◆ Computer Assisted Support Enforcement System (CASES);
- ◆ Support Through Automated Resources/Keeping Integrated Data on System (STAR/KIDS);
- ◆ Automated Child Support Enforcement System (ACSES) Replacement System (ARS); and
- ◆ KIDZ.

## Transitions and Enhancements

### KEY DATA/ASSUMPTIONS (continued):

Transition costs include the costs incurred by the county and/or a lead county to transition from an existing system to one of the four selected systems. Transition costs are assumed to be paid 66 percent federal funds and 34 percent State General Fund (GF) (pursuant to AB 150).

Additionally, in FY 1999-2000, costs for the Generalized Automated Conversion System (ACS) are included in this category. Through the Generalized ACS, counties will be able to begin data mapping and extraction well before identification of a new statewide system, thereby resulting in an accelerated transition to the statewide system. The counties incur costs to map their system data to the ACS. These costs include vendor and county staff time and vary by size of the county. For lead consortia counties and counties on legacy systems, the county ACS costs are estimated to be 30 percent of historical estimates for transition costs. For all other counties, the costs are estimated to be 10 percent of historical estimates for transition costs.

- Enhancements

The assumption includes enhancements needed for Personal Responsibility and Work Opportunity Reconciliation Act, Year 2000 and other business needs. Enhancement costs are assumed to be paid 66 percent federal funds and 34 percent GF (pursuant to AB 150).

- Maintenance and Operations

The State will fund a portion of the \$1.25 per case per month for data processing maintenance and operations for former SACSS counties and counties that transitioned to CASES after November 1997.

### METHODOLOGY:

- The data for this estimate are from the following sources:
  - ◆ County input and surveys provided system enhancements and updated cost estimates.
  - ◆ The data for CASES counties are based on an estimate provided by San Francisco County.
  - ◆ All transition estimates (conversion, data cleanup, and training) are from an average of selected counties' average costs.
  - ◆ Los Angeles County's system enhancement costs were added starting in FY 1998-99.
- Details regarding the legacy systems enhancements are contained in the HHSDC budget change proposal entitled Child Support Automation and will be further detailed in a forthcoming advance planning document.

### FUNDING:

Costs are shared 66 percent federal and 34 percent GF.

## Transitions and Enhancements

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been revised for FY 1999-2000 to more accurately reflect costs expected for enhancements and transitions.

### REASON FOR YEAR-TO-YEAR CHANGE:

Many counties that expected to transition in FY 1998-99 did not do so and must transition in FY 1999-00 and FY 2000-01. In addition, the State has a larger role in the management/oversight of county child support operations based on AB 150, Senate Bill (SB) 542 (Chapter 480, Statutes of 1999), and AB 196 (Chapter 478, Statutes of 1999).

As a result of AB 196 (Chapter 478, Statutes of 1999) and SB 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the CDSS to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the DCSS description.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$49,946	\$6,694
Federal	32,964	4,418
State	16,982	2,276
County	0	0
Reimbursements	0	0

## Transitions and Enhancements

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$49,946	\$0
CDSS	0	0
HHSDC	49,946	0

### DCSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$0	\$6,694
DCSS	0	0
HHSDC	0	6,694

## Performance Standards Project

### DESCRIPTION:

This premise provides funding for the county administrative costs associated with conducting self-reviews of their performances.

The federal Family Support Act of 1988 (Public Law 100-485) requires states to meet specific Child Support Enforcement Program performance standards. Further, Assembly Bill (AB) 1033 (Chapter 1647, Statutes of 1990) implemented the Performance Standards Project, which requires the State to pay the nonfederal share of county administrative costs to conduct self-reviews of their performances, to implement corrective actions, updates, and conduct training as appropriate. As a result of a survey, 37 counties elected to conduct their own reviews.

Under the authority of Senate Bill (SB) 1410 (Chapter 404, Statutes of 1998), 19 additional counties will conduct self-reviews beginning in Fiscal Year (FY) 1999-00.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1992.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 15200.75(a) and 15200.95(b); Family Code Sections 17702(a) and 17710(b).
- County administrative cost of \$3,723,400 was based on the counties' approved FY 1993-94 county plans. This amount was subsequently increased by the cost-of-doing-business (CODB) rates from FYs 1993-94 through 1998-99.

- The CODB rates were:

FY 1993-94	2.4%
FY 1994-95	1.1%
FY 1995-96	1.1%
FY 1996-97	1.1%
FY 1997-98	2.3%
FY 1998-99	2.3%
FY 1999-00	3.9%
FY 2000-01	2.3%

### METHODOLOGY:

- The CODB rates from FYs 1993-94 through 1998-99 were applied to the FY 1993-94 level.
- The projected funding levels will be \$4,282,000 for FY 1999-00, and \$4,383,000 for FY 2000-01.

### FUNDING:

Although Child Support Program administration costs are normally shared at 66 percent federal Title IV-D funds and 34 percent county funds, the State will pay the nonfederal share as legislatively mandated.



## Performance Standards Project

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 increase is due to the application of the CODB rate. As a result of AB 196 (Chapter 478, Statutes of 1999) and SB 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$4,282	\$4,383
Federal	2,826	2,893
State	1,456	1,490
County	0	0
Reimbursements	0	0

## **Title IV-D Kids Program**

### **DESCRIPTION:**

The Title IV-D Kids Program is an affordable means for noncustodial parents to obtain dependent health coverage through group health providers. This premise reflects a \$50 administrative incentive payment to the counties for obtaining third-party health coverage or insurance of beneficiaries. The Title IV-D Kids Program covers the California Department of Social Services' (CDSS) cost of the \$50 incentive payments to counties for alternative dependent health insurance coverage.

Assembly Bill (AB) 568 (Chapter 718, Statutes of 1992) requires CDSS to pay an incentive to the counties' Title IV-D Kids Programs for obtaining third-party health coverage or insurance of beneficiaries. As a result, a \$50 incentive is paid when health insurance coverage is obtained by the district attorney and the California Department of Health Services (CDHS) has been notified. Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal Program recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 14124.92.
- Based on monthly information furnished by Sacramento County, 504 cases enrolled in the Title IV-D Kids Program between July 1998 and June 1999.
- Based on the most current Child Support Management Information System Annual Report (Fiscal Year (FY) 1997-1998), Table 5 – Establishment of Support Order/Total, Sacramento County has 4,766 cases; and statewide there are 167,289 cases with orders established with medical insurance.
- A \$50 incentive payment is paid to the district attorney's office for alternative dependent health insurance coverage.

### **METHODOLOGY:**

- This estimate is based on the experience of Sacramento County's pilot program. There were 504 cases enrolled in the Title IV-D Kids Program out of 4,766 cases with orders established with medical insurance (FY 1997-98 Child Support Management Information System Annual Report, Table 5). This represents 10.58 percent of cases enrolled in the Title IV-D Kids Program to the total medical insurance cases.
- For FY 1999-00, the annual statewide medical insurance cases of 167,289 were multiplied by the percentage of enrolled Title IV-D Kids Program cases (10.58 percent). This resulted in 17,699 additional enrollments in the Title IV-D Kids Program statewide. The \$50 incentive payment was then applied to the statewide cases, resulting in a total cost of \$885,000.
- The FY 2000-01 funding is held at the FY 1999-00 level.

## Title IV-D Kids Program

### FUNDING:

Costs are 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This premise was updated for the most recent available data on the statewide medical insurance cases and actual data from Sacramento County.

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the CDSS to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$885	\$885
Federal	0	0
State	885	885
County	0	0
Reimbursements	0	0

## Health Insurance Incentives

### DESCRIPTION:

This premise reflects the \$50 administrative incentive payment to the counties' Title IV-D Kids Programs for identifying and obtaining third-party health coverage or insurance of beneficiaries available through noncustodial parents' health benefit plans.

Assembly Bill (AB) 568 (Chapter 718, Statutes of 1992) requires the California Department of Social Services (CDSS) to pay an incentive to the counties' Title IV-D Kids Programs for obtaining third-party health coverage or insurance of beneficiaries. In addition, AB 2377 (Chapter 147, Statutes of 1994) allows family support offices to pursue health care coverage from health benefit plans that are subject to the Employee Retirement Income Security Act provisions when presented with a qualified medical support order. A \$50 incentive is paid once health insurance coverage is obtained by the district attorney and the California Department of Health Services (CDHS) has been notified. Health insurance includes medical, dental and vision coverage. Costs recovered through the health insurance coverage for Temporary Assistance For Needy Families (TANF)/Medi-Cal recipients are used to offset the costs of Medi-Cal benefits. Health insurance coverage for non-TANF cases results in cost avoidance of Medi-Cal expenditures. CDHS separately estimates budget savings related to this premise.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14124.92.
- Fiscal Year (FY) 1997-98 actual expenditures were \$1,594,150.
- FY 1998-99 actual expenditures were \$1,871,955.
- The year-to-year growth rate was 17.4 percent.

### METHODOLOGY:

The FY 1999-00 estimate is based on the most recent two fiscal years' actual payments provided by CDSS' Financial Services Bureau, Administrative Unit. An expenditure growth of 17.4 percent was determined by comparing the FY 1998-99 actual payments to the FY 1997-98 actual payments. The growth rate was applied to FY 1998-99 actual expenditures to determine the FY 1999-00 cost.

The FY 2000-01 funding is held at the FY 1999-00 level.

### FUNDING:

Costs are 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

Actual expenditures were updated based on most recent payment reports for FY 1997-98 and FY 1998-99, and a year-to-year growth rate of 17.4 percent was applied.

## Health Insurance Incentives

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the CDSS to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$2,198	\$2,198
Federal	0	0
State	2,198	2,198
County	0	0
Reimbursements	0	0

## **San Mateo County Noncustodial Parent Demonstration Project**

### **DESCRIPTION:**

This premise is to provide budget authority to San Mateo County to receive the federal funds for the State Access and Visitation Program. The federal grant was under provisions of section 469B of Title IV-D of the Social Security Act as amended by Title III of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193).

The purpose of this demonstration project is to test whether or not providing supportive services to noncustodial parents (NCPs) will increase their voluntary child support payments and produce other positive benefits for the family. This is to be accomplished by establishing and administering programs to support and facilitate NCPs' access to and visitation of their children.

### **IMPLEMENTATION DATE:**

This premise implemented on September 30, 1997.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 18205.
- This is a three-year demonstration project from September 30, 1997, through September 30, 2000.
- Federal Fiscal Year (FFY) 1998 project cost is \$250,000.
- FFY 1999 project cost is \$221,000.
- FFY 2000 project cost is \$236,000.

### **METHODOLOGY:**

- The State Fiscal Year (SFY) 1999-00 estimate reflects one quarter of the FFY 1999 grant (\$55,250) and three quarters of the FFY 2000 grant (\$177,000), resulting in a total of \$232,250.
- The SFY 2000-01 total estimate reflects the remaining one quarter of the FFY 2000 grant (\$59,000).

### **FUNDING:**

The cost is funded at 66 percent federal Title IV-D funds, 29 percent federal section 1115 grant, and 5 percent county funds.

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.

## San Mateo County Noncustodial Parent Demonstration Project

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$232	\$59
Federal	221	56
State	0	0
County	11	3
Reimbursements	0	0

## Child Support State-Only Locate Cases

### DESCRIPTION:

This premise reflects the cost of automation reprogramming that would allow for continued efforts on closed Title IV-D “locate” cases using automated resources to locate noncustodial parents (NCP) and their earnings or assets for child support purposes. It would provide the State with the ability to close Title IV-D cases after three years, thereby helping California to benefit on the federal incentives performance measures. As a result, this would maximize the amount of federal performance incentive payments. This premise must be funded with state monies because closed Title IV-D cases will not be eligible for Title IV-D federal financial participation until reopened.

Continued locate efforts will be provided by the California Parent Locator Service and the Franchise Tax Board Collection Program, which act as clearing houses for referring cases to various automated databases in search of NCPs and related financial information. When such information is obtained by the state-only locate program, it will notify the appropriate county. The county will reopen the Title IV-D case and provide the necessary Title IV-D services using the new information.

### IMPLEMENTATION DATE:

This premise will be implemented March 31, 2000.

### KEY DATA/ASSUMPTIONS:

The estimated cost is for automation reprogramming at the county level.

### METHODOLOGY:

The estimated cost is based on telephone survey with selected counties.

### FUNDING:

The cost associated with reprogramming is 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise reflects a one-time cost for automation reprogramming in Fiscal Year (FY) 1999-00.

As a result of Assembly Bill 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display, below, reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information see the “Department of Child Support Services” description.



## Child Support State-Only Locate Cases

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$900	\$0
Federal	0	0
State	900	0
County	0	0
Reimbursements	0	0

## Public Law 105-200 Alternative Federal Penalty

### DESCRIPTION:

This premise reflects the alternative federal penalty for failure to complete the statewide automated child support system by the required date.

Due to the failure of the Statewide Automated Child Support System, the Department became subject to federal fiscal penalties. Recent federal legislation, Public Law 105-200, The Child Support Performance and Incentive Act of 1998, allows the Secretary of the Department of Health and Human Services to waive current penalties and impose an alternative penalty if states have made good faith efforts to meet the federal automation requirements.

Under the alternative penalty, the Department would be penalized four percent of federal Child Support Enforcement Program administrative funds for Federal Fiscal Year (FFY) 1998, eight percent for FFY 1999, 16 percent for FFY 2000, 25 percent for FFY 2001, and 30 percent for FFY 2002 and each subsequent year, until the requirements are met.

Welfare and Institution Code (W&IC) section 15200.95(c) exempts Los Angeles County from any portion of the penalty unless the County's child support automation system fails to interface with California's child support automation system until January 1, 2000.

### IMPLEMENTATION DATE:

This premise will be implemented State Fiscal Year (SFY) 1999-00.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 10088(a).
- The FFY 1998 federal penalty imposed is based on the FFY 1997 administrative cost (\$299,102,000).
- The FFY 1998 federal penalty rate is four percent.
- The FFY 1999 federal penalty imposed is based on estimated the FFY 1998 administrative cost (\$336,854,000).
- The FFY 1999 federal penalty rate is eight percent.
- The FFY 2000 federal penalty imposed is based on the estimated FFY 1999 administrative cost (\$406,251,000).
- The FFY 2000 federal penalty rate is 16 percent.
- The FFY 2001 federal penalty imposed is based on information dated December 1, 1999, provided by the federal Administration for Children and Families (ACF).
- The FFY 2001 federal penalty rate is 25 percent.

## Public Law 105-200 Alternative Federal Penalty

### METHODOLOGY:

- The SFY 1999-00 estimate (\$103,913,000) reflects the federally imposed penalty for FFYs 1998, 1999, and 2000. This was calculated as follows:
  - ◆ The FFY 1998 penalty rate of four percent was applied against the FFY 1997 administrative cost of \$299,102,000, resulting in a penalty amount of \$11,964,000.
  - ◆ The FFY 1999 penalty rate of eight percent was applied against the FFY 1998 administrative cost of \$336,854,000, resulting in a penalty amount of \$26,948,000.
  - ◆ The FFY 2000 penalty rate of sixteen percent was applied against the FFY 1999 administrative cost of \$406,251,000, resulting in a penalty amount of \$65,000,000.
- The SFY 2000-01 is estimated to be \$101,563,000 and reflects information provided by ACF.

### FUNDING:

These costs are 100 percent General Fund (GF).

### CHANGE FROM PRIOR SUBVENTION:

The FY 1999-00 penalty cost was revised based on updated actuals. As a result of Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999), appropriated GF covers the cost of the penalty, which was formerly funded by county share.

### REASON FOR YEAR-TO-YEAR CHANGE:

The penalty rate imposed in SFY 2000-01 is lower because it reflects only one-year penalty compared to three years in SFY 1999-00.

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the California Department of Social Services (CDSS) to the Department of Child Support Services (DCSS). Therefore the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

## Public Law 105-200 Alternative Federal Penalty

### EXPENDITURES:

(in 000's)

	<b>CDSS</b>	<b>DCSS</b>
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-103,913	-101,563
State	103,913	101,563
County	0	0
Reimbursements	0	0

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## Food Stamp Administrative Reduction

### DESCRIPTION:

This premise reflects the cost to California of federal legislation that required states to determine amounts charged to the former Aid to Families with Dependent Children (AFDC) Program that could have been allocated to the Food Stamps and Medi-Cal Programs for common administrative costs. Section 501 of the Agriculture Research, Extension, and Education Reform Act of 1998 (Public Law (P.L.) 105-185) required states to determine such common administrative costs during the State's Temporary Assistance for Needy Families (TANF) Program base year, Federal Fiscal Year (FFY) 1995. The amount attributable to food stamps is to be deducted from food stamp administrative claims for FFYs 1999 through 2002.

The federal Department of Health and Human Services (DHHS) issued a guide entitled, "Implementation of Cost Allocation Determinations Under the Agriculture Research, Extension and Education Reform Act." This guide provided direction to the states in determining their AFDC total base year administrative expenditures.

### IMPLEMENTATION DATE:

This premise implemented October 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: P.L. 105-185, section 501.
- The California Department of Social Services used a primary program cost allocation methodology for county administrative costs during FFY 1995. However, state operational costs were charged on a benefiting program basis.
- Based on a review of quarterly federal financial reports submitted to DHHS during FFY 1995, the total federal share of common administrative expenditures was \$280,097,927.
- Non-AFDC program administrative costs and discrete AFDC costs, as defined in the guide, were identified in quarterly federal financial reports. These costs, as well as other allowable adjustments stipulated in the guide, totaled \$59,412,705 and were deducted from the total federal share of common administrative expenditures.
- California's AFDC total base year administrative expenditure is \$220,685,222.
- The provisions of P.L. 105-185 stipulate that states may not use TANF funds to pay for this reduction, nor does it provide for a decrease in the maintenance of effort expenditures under TANF.
- California received federal approval of its proposed reduction amount on January 15, 1999.

## Food Stamp Administrative Reduction

### METHODOLOGY:

- California elected to use the optional formula described in the guide to determine the amount of the food stamp administrative reimbursement reduction. The optional formula is to multiply the AFDC total base year administrative expenditure by 80 percent and divide by three (for the three benefiting programs of AFDC, Food Stamps, and Medi-Cal).
- California's food stamp administrative reimbursement reduction is \$58,849,393 ( $\$220,685,222 \times 80$  percent divided by three).

### FUNDING:

The cost is 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

Both SFYs 1999-00 and 2000-01 represent full years of the food stamp administrative reimbursement reduction amount.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-58,849	-58,849
State	58,849	58,849
County	0	0
Reimbursements	0	0

## Food Stamp Employment and Training Program

### DESCRIPTION:

This premise reflects the costs for the Employment and Training (E&T) Program, which provides job search assistance, work experience and supportive services to eligible Non-Assistance Food Stamp Program recipients. This program was established under the Food Security Act of 1985 (Public Law (P.L.) 99-198). The Food Stamp Act of 1977 provides for unmatched federal E&T funding each year. Section 1002 of the Balanced Budget Act of 1997 provides for additional unmatched federal E&T funding for Federal Fiscal Years (FFYs) 1998 through 2000. Section 501 of the Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185) reduces the amount of additional unmatched federal E&T funding allocated to states for FFYs 1999 and 2000. To be eligible for the additional unmatched federal funds, the State and counties must meet their maintenance of effort (MOE) spending levels which are equal to the amounts spent to administer the E&T and workfare programs in State Fiscal Year (SFY) 1996-97. The Balanced Budget Act of 1997 requires that at least 80 percent of all unmatched federal funds be spent to serve able-bodied adults without dependents who are placed in and comply with the E&T and workfare programs. Employment and training opportunities enable recipients to become self-sufficient and reduce their need for food stamps. Some recipients are geographically excluded due to reasons such as sparse population, great distances and lack of available transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants.

### IMPLEMENTATION DATE:

This premise became effective April 1, 1987.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.
- During SFY 1999-00, 38 counties will participate in the E&T Program.
- During SFY 2000-01, 31 counties will participate in the E&T Program.
- The SFY 1999-00 costs for this program were based on local assistance costs identified in the E&T Program state plans for FFYs 1999 and 2000, as well as approved 100 percent enhanced federal funds for FFYs 1999 and 2000. Also included in SFY 1999-00 costs is one quarter of a \$6.9 million rollover of unused county funds from FFY 1998 and one quarter of an \$8 million augmentation in 100 percent federal grant funds. The SFY 2000-01 costs for this program were based on the local assistance costs identified in the FFY 2000 E&T Program preliminary state plan and approved 100 percent enhanced federal funds for FFY 2000.
- For FFY 2000, the initial 100 percent enhanced federal funds are \$10,773,852, with an additional \$10,780,120 once the State meets its MOE requirement.
- State funds are capped at \$560,000 for program costs, and state participant reimbursement costs are capped at \$787,000 for SFYs 1999-00 and 2000-01.
- It is assumed that the State and counties will meet the MOE requirements.



## Food Stamp Employment and Training Program

### METHODOLOGY:

- SFY 1999-00 represents one fourth of the total amount of the approved FFY 1999 E&T Program state plan and three fourths of the total amount in the State's preliminary E&T Program state plan for FFY 2000.
- SFY 2000-01 represents the approved enhanced funding for FFY 2000, and the total amount of Normal and Participant Reimbursement funds requested in the State's E&T Program state plan for FFY 2000.

### FUNDING:

For costs in excess of the enhanced funding cap and for participant reimbursement costs, the costs are shared 50 percent federal, 35 percent state and 15 percent county up to the state cap; costs are then funded 50 percent federal and 50 percent county.

FY 1999-00 (in 000's):	Total	Federal	State (cap)	County
Enhanced Funds (100%)	\$23,500	\$23,500	\$0	\$0
Normal Funds	\$34,840	\$17,420	\$560	16,860
Participant Reimbursement	\$9,072	\$4,536	\$787	\$3,749
Total	\$67,412	\$45,456	\$1,347	\$20,609

FY 2000-01 (in 000's):	Total	Federal	State (cap)	County
Enhanced Funds (100%)	\$21,554	\$21,554	\$0	\$0
Normal Funds	\$40,226	\$20,113	\$560	\$19,553
Participant Reimbursement	\$9,464	\$4,732	\$787	\$3,945
Total	\$71,244	\$46,399	\$1,347	\$23,498

### CHANGE FROM PRIOR SUBVENTION:

- The State submitted a final FFY 2000 E&T Program state plan for federal approval.
- SFY 1999-00 includes one quarter of a \$6.9 million rollover of unused county funds from FFY 1998 and one quarter of an \$8 million augmentation in 100 percent federal grant funds.

### REASON FOR YEAR-TO-YEAR CHANGE:

The costs are updated based on final local assistance costs requested by the counties for FFY 2000 and the approved amount of enhanced funds for FFY 2000.

## Food Stamp Employment and Training Program

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$67,412	\$71,244
Federal	45,456	46,399
State	1,347	1,347
County	20,609	23,498
Reimbursements	0	0

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## Deceased Persons Match

### DESCRIPTION:

This premise reflects the grant savings and administrative costs associated with collecting overpayments made to California Work Opportunity and Responsibility to Kids (CalWORKs) and food stamp cases for deceased individuals, who are counted as members of a CalWORKs assistance unit and/or food stamp household in the computation of benefits. Federal legislation, Public Law 105-379, was passed in November 1998, requiring states to enter into a cooperative arrangement with the Social Security Administration (SSA) to match social security numbers from current food stamp cases with social security numbers from deceased individuals. This legislation was based on the findings of a February 1998 General Accounting Office (GAO) report that outlined the potential magnitude of deceased individuals counted as food stamp household members. Although it is a federal mandate for food stamps, CalWORKs cases will also be processed since the majority of cases also receive food stamps.

### IMPLEMENTATION DATE:

The implementation date is June 1, 2000. However, due to a six-month moratorium on new projects at the SSA beginning in September 1999, project implementation will be delayed until October 2000.

### KEY DATA/ASSUMPTIONS:

- The SSA Death Master file will serve as the data source to identify and match deceased individuals, who are counted as members of a CalWORKs assistance unit and/or food stamp household.
- Based on the findings in the GAO report, the estimate assumes a match rate of 0.00152 percent.
- Based on the findings in the GAO report, the estimate assumes an average of four months of overpayments.
- Based on the Fraud Bureau's program experience, the average rate of new overpayment collection is 50 percent.
- The average monthly savings represent the differences in removing one person from the case, \$165.36 for family groups (FG) and \$122.27 for unemployed (U) parents, based on average grant data from January through September 1998 Q5 data.
- The administrative cost per hour for an eligibility worker is \$50.86 for CalWORKs and \$47.62 for Non-Assistance Food Stamps (NAFS). The administrative time spent per case is one hour for activities such as researching the case, providing notification, and processing the overpayment.
- The estimate assumes savings from the match will begin in November 2000.
- Based on January through September 1998 Q5 data, 88.73 percent of CalWORKs cases also receive food stamps.

### METHODOLOGY:

- The average monthly number of cases with a deceased person counted as a member of the assistance unit is calculated by multiplying the average monthly number of CalWORKs cases by the match rate. The resulting caseload is then multiplied by the ratio of FG and U cases and the average monthly savings (76 x \$165.36 for FG and 9 x \$122.27 for U).

## Deceased Persons Match

### METHODOLOGY (continued):

- The average monthly saving is multiplied by the 50 percent rate of projected overpayment collection.
- The administrative costs are calculated by multiplying the monthly number of CalWORKs and food stamp cases with a deceased person by the administrative cost per hour and the time spent per case (85 x \$50.86 x 1.0 hour for CalWORKs and 41 x \$47.62 x 1.0 hours for food stamps).

### FUNDING:

The state share reflects the grant savings of the State-Only Two-Parent Program, which implemented October 1, 1999. In Fiscal Year 2000-01, the funding is 87.39 percent TANF, 10.11 percent state, and 2.5 percent county. The State-Only Two-Parent Program is countable toward the State's maintenance of effort. CalWORKs administrative costs are funded 89.89 percent federal and 10.11 percent state. Food stamp administrative costs are shared 50 percent federal, 35 percent state, and 15 percent county. Food stamp coupons are 100 percent federal and not reflected in the CDSS budget.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This premise will be implemented in FY 2000-01.

### CASELOAD:

	1999-00	2000-01
Average Monthly Caseload	0	-85

### EXPENDITURES:

(in 000's)

TANF	1999-00		2000-01	
(Item 101)	Grant	County Admin.	Grant	County Admin.
Total	\$0	\$0	-\$179	\$34
Federal	0	0	-157	31
State	0	0	-18	3
County	0	0	-4	0
Reimbursements	0	0	0	0

## Deceased Persons Match

### EXPENDITURES (continued):

(in 000's)

**Food Stamp  
Administration  
(Item 141)**

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$16
Federal	0	8
State	0	6
County	0	2
Reimbursements	0	0

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## California Nutrition Promotion Network

### DESCRIPTION:

The California Nutrition Promotion Network is a statewide marketing campaign to promote healthy eating and physical activity among food stamp recipients. The Network is a collaborative effort among the Department of Health Services (DHS), the California Department of Social Services (CDSS), the California Department of Education, the University of California Cooperative Extension, and private agencies. DHS is the lead agency administering the project. CDSS serves as the pass-through agency for the matching federal funds.

### IMPLEMENTATION DATE:

This premise became effective October 1, 1996.

### KEY DATA/ASSUMPTIONS:

The amounts are based on the budgets approved by the Food and Nutrition Service for Federal Fiscal Years (FFY) 1999 and 2000.

### METHODOLOGY:

The following methodology is used to determine the funding for each State Fiscal Year (SFY):

- SFY 1999-00 is based on one quarter of FFY 1999 and three quarters of FFY 2000 funds.
- SFY 2000-01 is based on the total approved funds for FFY 2000.

### FUNDING:

This premise reflects the pass-through of 100 percent federal funds.

### CHANGE FROM PRIOR SUBVENTION:

SFY 1999-2000 was updated to reflect the approved level of funding for FFY 2000.

### REASON FOR YEAR-TO-YEAR CHANGE:

SFY 1999-00 reflects one quarter of FFY 1999 and three quarters of FFY 2000 funds; SFY 2000-01 reflects the total approved level of funding for FFY 2000.



## California Nutrition Promotion Network

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$14,603	\$16,641
Federal	14,603	16,641
State	0	0
County	0	0
Reimbursements	0	0

## Food Stamp Nutrition Education Plan

### DESCRIPTION:

Food stamp applicants and recipients will be provided nutrition education services in 38 counties by university county extension offices. California's Food Stamp Nutrition Education Plan is a cooperative effort between the California Department of Social Services and the University of California Cooperative Extension (UCCE).

### IMPLEMENTATION DATE:

This premise became effective January 1, 1995.

### KEY DATA/ASSUMPTIONS:

The amounts are based on the budgets approved by Food and Nutrition Service for Federal Fiscal Years (FFY) 1999 and 2000.

### METHODOLOGY:

The following methodology is used to determine the funding for each state fiscal year (SFY):

- SFY 1999-00 is based on one quarter of FFY 1999 funds and three quarters of FFY 2000 funds.
- SFY 2000-01 is based on the total approved funds for FFY 2000.

### FUNDING:

This premise reflects the pass-through of 100 percent federal funds to UCCE. The matching share of costs will be provided by UCCE.

### CHANGE FROM PRIOR SUBVENTION:

SFY 1999-00 reflects the approved funding level for FFY 2000.

### REASON FOR YEAR-TO-YEAR CHANGE:

SFY 1999-00 reflects one quarter of FFY 1999 and three quarters of FFY 2000 funds; SFY 2000-01 reflects the approved funding level for FFY 2000.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,939	\$1,992
Federal	1,939	1,992
State	0	0
County	0	0
Reimbursements	0	0

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## **Small Programs (Non-CalWORKs) Block Grants – Basic Costs for AAP, NMOHC and Staff Development**

### **DESCRIPTION:**

This premise reflects the costs associated with the Small Programs block grant: a consolidation of county administration for the Adoption Assistance Program (AAP), Non-Medical Out-of-Home Care (NMOHC) Program, and staff development.

AAP: County eligibility workers are required to perform administrative functions related to the AAP. Specifically, verification of linkage to the Temporary Assistance for Needy Families (TANF) Program (formerly Aid to Families with Dependent Children Program) is required for all new AAP cases to establish federal or nonfederal eligibility. Linkage is based on the child's situation at the time of removal from the natural home. The child must meet the general eligibility requirements for TANF and qualify as either a federal or state-only foster care case. Recertification is also required on a biennial basis.

Special Adult Program Administration-NMOHC Certification Basic Costs: Through this program, counties monitor and certify the NMOHC living arrangements for Supplemental Security Income/State Supplementary Payment Program recipients in nonlicensed homes.

Staff Development Basic Costs: This item includes basic costs in support of county eligibility worker staff development activities for the Food Stamp (FS) and Foster Care (FC) Programs.

### **IMPLEMENTATION DATE:**

These programs are annual appropriations.

### **KEY DATA/ASSUMPTIONS:**

- The Fiscal Year (FY) 1999-00 appropriations for Small Programs was increased due to a projected increased in expenditures.
- In FY 2000-01, an adjustment for caseload decline, 6.4 percent, was made to the FS staff development portion of this program.
- The budget year estimate was developed by adjusting the current year appropriation for projected percentage increased costs. AAP, NMOHC, and FC staff development were increased by projected caseload growth (1.8 percent for FC and 14 percent for AAP) and 2.93 percent for the cost of doing business. The unadjusted FS staff development portion was then added to develop the FY 1999-00 estimate.

### **METHODOLOGY:**

The FY 1999-00 estimate is being increased due to projected increased expenditures.

The FY 2000-01 estimated costs are based on the adjusted current year appropriation and, with the exception of FS staff development, adjusted for caseload growth and the cost of doing business.

## Small Programs (Non-CalWORKs) Block Grants – Basic Costs for AAP, NMOHC and Staff Development

### FUNDING:

AAP administrative costs are shared 50 percent federal Title IV-E funds and 50 percent state funds for federally eligible cases and 100 percent state funds for nonfederally eligible cases.

NMOHC costs are 100 percent state funded.

Staff development funding is a combination of federal Title IV-E and USDA/Food and Consumer Service funds. The nonfederal share of cost is divided 70 percent state and 30 percent county.

### CHANGE FROM PRIOR SUBVENTION:

For FY 1999-00 there is a change to reflect the increase in actual costs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 estimate is based on the adjusted current year appropriation and additional projected increased costs, including caseload.

### EXPENDITURES:

(In 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$8,955	\$10,101
Federal	4,375	5,131
State	3,938	4,312
County	642	658
Reimbursements	0	0

## Refugee Cash Assistance – Administration

### DESCRIPTION:

This premise reflects the administrative costs necessary to perform the administrative functions of the Refugee Cash Assistance (RCA) Program. The RCA Program provides cash grants to refugees who have been in the United States for their first eight months and who are not otherwise eligible for the normal categorical welfare programs. The RCA administrative costs include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA Program. Also included are allocated overhead costs and direct costs.

### IMPLEMENTATION DATE:

This premise implemented on March 17, 1980.

### KEY DATA/ASSUMPTIONS:

- Section 1522 of Title 8 of the United States Code (U.S.C.) authorizes the federal government to provide grants to the states to assist refugees who resettle in the United States of America.
- Sections 13275 through 13282 in Chapter 5.5 of Part 3 of the Welfare and Institutions Code authorize the Department to administer the funds provided under Title 8 of the U.S.C. It also provides the Department authority to allocate the federal funds to the counties.
- The actual RCA adult administration costs for January to June 1999 were \$653,947. The average cost per case was \$72.78.
- The average monthly caseload is 17,976 for Fiscal Year (FY) 1999-00.
- The RCA administration costs for will remain constant through FY 2000-01.

### METHODOLOGY:

The average cost per case for RCA adult administration is multiplied by the estimated caseload to arrive at the total cost ( $\$72.78 \times 17,976 = \$1,308,331$ ).

### FUNDING:

This program is 100 percent federally funded with the Cash, Medical and Administration Grant through the Office of Refugee Resettlement.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Refugee Cash Assistance – Administration

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,308	\$1,308
Federal	1,308	1,308
State	0	0
County	0	0
Reimbursements	0	0

## **Merced Automated Global Information Control (MAGIC)**

### **DESCRIPTION:**

This premise reflects funding for county personnel and vendor maintenance and operation costs. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). Two counties, Merced and Napa, were selected to develop and pilot SAWS. The automated eligibility system developed in Merced County was the Merced Automated Global Information Control (MAGIC) system. In July 1992, the SAWS Evaluation Report recommended the system developed in Napa County as the most viable system for statewide implementation.

### **IMPLEMENTATION DATE:**

This premise implemented on October 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

This premise assumes a decrease in Fiscal Year (FY) 2000-01 due to the net effect of a cost-of-doing - business (CODB) adjustment and updated caseload data.

### **METHODOLOGY:**

Estimated costs for the MAGIC project are based upon the advance planning document update from November 1993 and updated distribution costs submitted by Merced County.

### **FUNDING:**

MAGIC funding is a combination of various sources. Federal funds include the normal share of Temporary Assistance for Needy Families (TANF), Title IV-E, United States Department of Agriculture/Food and Nutrition Service and Refugee Resettlement Programs. The project is also eligible for Title XIX federal funding, budgeted by the Department of Health Services. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

Note: Assembly Bill 1542 (Chapter 270, Statutes of 1997) and Welfare and Institutions Code section 15204.4 require a maintenance of effort (MOE) from the counties based on expenditures during FY 1996-97, which includes the administration of food stamps. Please reference the County MOE Adjustment Premise.

### **CHANGE FROM PRIOR SUBVENTION:**

#### FY 1999-00:

There is no change.

#### FY 2000-01:

The estimate has been modified based on the net effect of a cost of doing business adjustment and updated caseload data that project decreased costs for Merced County.



## Merced Automated Global Information Control (MAGIC)

### REASON FOR YEAR-TO-YEAR CHANGE:

Estimates reflect decreased costs in the budget year based on the net effect of a CODB adjustment and updated caseload data.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$5,983	\$5,905
Federal	3,081	3,039
State	2,029	2,005
County	873	861
Reimbursements	0	0

## Consortia Planning and Management

### DESCRIPTION:

This premise reflects the costs for the Statewide Automated Welfare System (SAWS) Consortia Planning and Management. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of SAWS. SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the California Health and Human Services Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that “no more than four” county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The four consortia include: the Interim Statewide Automated Welfare System (ISAWS); the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) System; the Welfare Client Data System (WCDS); and Consortium IV (C-IV).

HHSDC provides general project management and oversight, including securing project approvals and funding, procuring and managing oversight and other contract services, monitoring consortia implementation and ongoing operations, reviewing and approving selected consortia deliverables, applying early issue identification and resolution methods, managing risk, managing stakeholder involvement, and approving and tracking expenditures. Consortia are responsible for defining county-level system requirements, for the competitive procurement of system hardware and software development, implementation support, and maintenance and operations of the consortia system.

### IMPLEMENTATION DATE:

Ongoing.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823.
- The Consortia Planning and Management estimate includes the costs for SAWS State Oversight, WCDS Consortium Planning and C-IV Planning.
- WCDS Consortium Planning activities are expected to end in Fiscal Year (FY) 1999-00 with the award of a contract.
- C-IV Planning activities are expected to end in FY 1999-00 with the award of a contract.

## Consortia Planning and Management

### METHODOLOGY:

Consortia Planning and Management costs are based on the June 1999 SAWS Implementation Advance Planning Document Update for State Oversight costs; the June 1999 WCDS Planning Advance Planning Document Update (PAPDU) for the WCDS costs; and the June 1999 C-IV PAPDU for the C-IV costs.

### FUNDING:

Consortia Planning and Management funding comes from various sources. Federal funds include the normal share of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

### CHANGE FROM PRIOR SUBVENTION:

Changes to this item include administrative changes (i.e. salary increases, overhead rate increase, additional staff), added funds for Department of Information Technology oversight, and conversion of two county staff positions and two seasonal clerk positions to State positions. Also, the planning schedules for the WCDS Consortium and C-IV have been extended.

### REASON FOR YEAR-TO-YEAR CHANGE:

Additional State Oversight funding is required for nondiscretionary administrative cost increases and for resources necessary to support oversight activities as the project moves through its lifecycle. WCDS Planning activities now extend into FY 1999-00, resulting in a shift of unexpended funds from FY 1998-99. The schedule for C-IV Planning activities has been extended resulting in an increase to FY 1999-00 costs.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$9,134	\$6,631
Federal	4,523	3,088
State	3,246	2,450
County	0	0
Reimbursements	1,365	1,093

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$9,134	\$6,631
CDSS	2,560	0
HHSDC	6,574	6,631

## **Welfare Data Tracking Implementation Project (WDTIP)**

### **DESCRIPTION:**

This premise reflects the costs for the Statewide Automated Welfare System (SAWS) Welfare Data Tracking Implementation Project (WDTIP). The functions of WDTIP were formerly part of the SAWS Technical Architecture (TA) project, which terminated effective February 28, 1999.

The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of SAWS. SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 also required that HHSDC coordinate the effort to develop and maintain a statewide technical architecture and standards that meet state, consortia and county needs.

The SAWS-TA project was intended to support electronic exchange of data between consortia systems for eligibility, anti-fraud and case management, provide for interface requirements for the SAWS consortia and other related state automation systems and, partnering with CDSS, Department of Health Services and consortia, define specifications to meet state and federal reporting requirements. The passage of state and federal welfare reform legislation and delays in the consortia schedules significantly impacted the original scope of the project. As a result, the original SAWS-TA project was discontinued February 28, 1999. SAWS-WDTIP is an interim solution that will continue the operation and enhancement of the welfare reform time-on-aid client tracking component of SAWS-TA.

### **IMPLEMENTATION DATE:**

Implementation of the enhanced WDTIP will be completed July 2000. Maintenance and operations activities are ongoing.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11454.5(b)(4).
- SAWS-WDTIP is a required element for complying with welfare reform tracking requirements.

### **METHODOLOGY:**

WDTIP development and implementation costs are based on the October 1999 Implementation Advance Planning Document Update, which provides the detail for these costs.

## Welfare Data Tracking Implementation Project (WDTIP)

### FUNDING:

SAWS-WDTIP development and implementation costs are 100 percent CalWORKs/TANF. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

### CHANGE FROM PRIOR SUBVENTION:

The WDTIP database must be loaded with county data and updated regularly, which requires funding for county staff programming efforts and county staff training. The actual and planned expenditures schedule for the prime contractor changed resulting from the delay in WDTIP approvals and the corresponding delay in project initiation. Funds were shifted from Fiscal Year (FY) 1998-99 to FY 1999-00 and FY 2000-01; however, there is no increase in costs for the prime contractor. Also, administrative changes (i.e. salary and overhead rate increases) impact current and budget years.

### REASON FOR YEAR-TO-YEAR CHANGE:

There will be a net reduction in FY 2000-01 costs because project development activities are concluding.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$11,323	\$5,033
Federal	11,323	5,033
State	0	0
County	0	0
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$11,323	\$5,033
CDSS	842	102
HHSDC	10,481	4,931

## **Interim Statewide Automated Welfare System (ISAWS)**

### **DESCRIPTION:**

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Consortium. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that “no more than four” county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 named ISAWS as one of the four consortia.

The ISAWS Consortium is comprised of 35 counties that selected HHSDC as their implementation and maintenance and operations service provider. Phase I counties (15) have been fully operational since Fiscal Year (FY) 1995-96. Phase II completed implementation activities in July 1998.

### **IMPLEMENTATION DATE:**

Ongoing.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- As a result of the completion of Phase II implementation in July 1998, the budget reflects a single line item for ISAWS maintenance and operations costs.
- The ISAWS estimate includes ongoing maintenance and operations (M&O) costs and a FY 1999-00 augmentation to conduct a needs assessment. The needs assessment and alternatives analysis will determine the course of action required to secure M&O services following the expiration of the current vendor contract.

### **METHODOLOGY:**

ISAWS costs are detailed in the July 1997 Implementation Advance Planning Document Update (with adjustments for administrative changes). ISAWS Procurement Planning costs are based upon a similar analysis that was conducted by Consortium IV.

## Interim Statewide Automated Welfare System (ISAWS)

### FUNDING:

ISAWS implementation funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and Title IV-E costs. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

### CHANGE FROM PRIOR SUBVENTION:

Administrative changes that have impacted this item include salary and benefit increases and an overhead rate increase. Also, funds are included for the ISAWS Consortium to acquire consulting services to conduct a needs assessment and alternatives analysis related to the procurement of application maintenance services. The current contract, with extensions, will expire December 31, 2003. The ISAWS Consortium will need to procure a new contract prior to the expiration of the optional extensions.

### REASON FOR YEAR-TO-YEAR CHANGE:

The net decrease for FY 2000-01 is largely the result of completing amortized payments for hardware and software.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$26,323	\$22,884
Federal	16,151	14,190
State	6,036	4,934
County	574	575
Reimbursements	3,562	3,185

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$26,323	\$22,884
CDSS	0	0
HHSDC	26,323	22,884

## **Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)**

### **DESCRIPTION:**

This premise reflects the costs for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that “no more than four” county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). The Budget Act of 1995 named LEADER as one of the four consortia. The LEADER system serves only Los Angeles County.

### **IMPLEMENTATION DATE:**

County-wide implementation will be completed in Fiscal Year (FY) 2000-01. Maintenance and operations costs are ongoing.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 10823.

### **METHODOLOGY:**

Costs are based upon the June 1999 LEADER Implementation Advance Planning Document Update, which provides the details for these costs.

### **FUNDING:**

LEADER funding comes from various sources. Federal funds include the normal shares of Food Stamp and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF-eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and General Relief costs. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” budget item of the auxiliary tables.



## Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER)

### CHANGE FROM PRIOR SUBVENTION:

Additional county staff and consulting services are needed for help desk support and for maintenance activities. Conversely, the quality assurance contract and the bank interface redesign were revised resulting in an offset to the increase in current year. Independent verification and validation consulting services will increase in budget year.

### REASON FOR YEAR-TO-YEAR CHANGE:

There will be a net reduction in FY 2000-01 costs because project implementation activities are concluding.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$27,917	\$21,531
Federal	19,522	15,044
State	4,573	3,622
County	3,822	2,865
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$27,917	\$21,531
CDSS	27,917	21,531
HHSDC	0	0

## **Welfare Client Data System (WCDS)**

### **DESCRIPTION:**

This premise reflects the costs for the Welfare Client Data System (WCDS) Consortium. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that "no more than four" county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). One of the four approved consortia is WCDS.

Under the multiple county consortium strategy, 18 counties have joined the WCDS Consortium.

### **IMPLEMENTATION DATE:**

Development activities will begin in Fiscal Year (FY) 1999-00.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code (W&IC) section 10823.
- Implementation activities are scheduled to be completed in FY 2003-04.

### **METHODOLOGY:**

Costs are based on the June 1999 WCDS Implementation Advance Planning Document Update (IAPDU), which provides the detail for these costs.

### **FUNDING:**

WCDS funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund and the county share of application development costs as specified in the W&IC. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

## Welfare Client Data System (WCDS)

### CHANGE FROM PRIOR SUBVENTION:

Contract negotiations are complete and the June 1999 IAPDU reflects the outcome of those contract negotiations.

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year increase reflects a full year of development costs and vendor payments based on the project schedule.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$23,017	\$41,153
Federal	13,872	24,801
State	5,222	9,337
County	1,953	3,492
Reimbursements	1,970	3,523

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$23,017	\$41,153
CDSS	23,017	41,153
HHSDC	0	0

## **Consortium IV (C-IV) Implementation**

### **DESCRIPTION:**

This premise reflects the costs for Consortium IV (C-IV) Implementation activities. The Legislature passed Senate Bill 1379 (Chapter 268, Statutes of 1984), effective July 1, 1984, authorizing the development of the Statewide Automated Welfare System (SAWS). SAWS encompasses the following functions: automated eligibility determination, automated benefit computation, benefit delivery, case management and management information.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

The Budget Act of 1995 included language requiring HHSDC, in collaboration with the County Welfare Directors Association, to develop a multiple county consortium strategy as a foundation for statewide welfare automation. The Legislature and Administration determined that “no more than four” county consortia would be approved. These requirements were codified in Assembly Bill 67 (Chapter 606, Statutes of 1997). One of the four approved consortia is C-IV.

Under the multiple county consortium strategy, four counties have joined C-IV.

### **IMPLEMENTATION DATE:**

Development activities are expected to begin in Fiscal Year (FY) 1999-00.

### **KEY DATA/ASSUMPTIONS:**

Authorizing statute: Welfare and Institutions Code section 10823.

### **METHODOLOGY:**

Proposed costs for C-IV implementation activities are based on estimates developed prior to the procurement. These estimates will be revised to reflect the successful proposal.

### **FUNDING:**

C-IV funding comes from various sources. Federal funds include the normal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding. Also, the project is eligible for Title XIX federal funding, which is budgeted by the Department of Health Services. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. The balance of the funding is State General Fund and the county share of application development costs as specified in the Welfare and Institutions Code. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the “Additional TANF/MOE Expenditures in CDSS” budget item of the auxiliary tables.

## Consortium IV (C-IV) Implementation

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
Total	\$12,000	\$12,000
Federal	6,852	6,852
State	3,828	3,828
County	0	0
Reimbursements	1,320	1,320

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$12,000	\$12,000
CDSS	12,000	12,000
HHSDC	0	0

## **Interim Statewide Automated Welfare System (ISAWS) Welfare Reform and Infrastructure Modifications (WRIM)**

### **DESCRIPTION:**

This premise reflects the costs for the Interim Statewide Automated Welfare System (ISAWS) Welfare Reform and Infrastructure Modifications (WRIM) component of the Statewide Automated Welfare System (SAWS) project. The ISAWS Consortium is one of four SAWS consortia and is operational in 35 counties.

The ISAWS Consortium is comprised of 35 counties that selected the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center, as their implementation and maintenance and operations service provider. Phase I counties (15) have been fully operational since Fiscal Year (FY) 1995-96. Phase II completed implementation activities in July 1998.

The Personal Responsibility and Work Opportunity Reconciliation Act (Public Law 104-193) was passed by Congress and signed into law August 1996. It repealed the nation's public welfare program, Aid to Families with Dependent Children (AFDC), replacing it with the Temporary Assistance for Needy Families (TANF) Program. In addition, the Act repealed or amended other programs serving children and families, including childcare.

California's welfare reform provisions were enacted through Assembly Bill 1542 (Chapter 270, Statutes of 1997), which created the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, effective January 1, 1998. As a result of the TANF block grant and the implementation of the CalWORKs Program, significant modifications to the electronic data processing systems for determining welfare eligibility, benefits and case tracking are required. Many of the major welfare reform changes have been implemented through the ongoing application maintenance process. However, the welfare reform changes included in this ISAWS sub-project (Welfare to Work, Child Care and Streamlined Medi-Cal) were of such significance that additional funding was required for application development and infrastructure modifications.

### **IMPLEMENTATION DATE:**

Application development will be completed in FY 1999-00. All other costs are ongoing.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 10823.
- System modifications reflect federal and State welfare reform changes required for the ISAWS Consortium.

### **METHODOLOGY:**

ISAWS WRIM costs are based upon the April 1999 Implementation Advance Planning Document Update (with adjustments for administrative changes).

## Interim Statewide Automated Welfare System (ISAWS) Welfare Reform and Infrastructure Modifications (WRIM)

### FUNDING:

ISAWS WRIM funding comes from various sources. Development costs are direct charged to CalWORKs and Medi-Cal and are funded with the TANF block grant and Title XIX federal funds. Title XIX funds are budgeted by the Department of Health Services (DHS). Maintenance and operations (M&O) costs are allocated to program and include the normal federal shares of Food Stamp, Title IV-E and Refugee Resettlement Programs funding, Title XIX federal funding, which is budgeted by DHS and TANF block grant funding for TANF eligible costs. The balance of the funding is State General Fund and the county share of Food Stamp and Title IV-E costs. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

### CHANGE FROM PRIOR SUBVENTION:

Administrative changes that have impacted this item include salary and benefit increases and an overhead rate increase.

### REASON FOR YEAR-TO-YEAR CHANGE:

There will be a net reduction in FY 2000-01 costs because project development activities are concluding.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$17,530	\$7,806
Federal	6,314	4,751
State	8,338	1,675
County	423	221
Reimbursement	2,455	1,159

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$17,530	\$7,806
CDSS	0	0
HHSDC	17,530	7,806

## Child Support Automation

### DESCRIPTION:

This premise reflects the costs associated with the Child Support Pre-Statewide Interim Systems Management (PRISM) project. It also reflects the re-direction from the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center, to the Franchise Tax Board (FTB) of the single statewide automated child support development and implementation activity pursuant to Assembly Bill (AB) 150 (Chapter 479, Statutes of 1999). Additionally, it includes the federal funds appropriated by AB 150 as a pass through to FTB in support of the single statewide system.

The Statewide Automated Child Support System (SACSS) was intended to meet federal mandates but the contract for its development was terminated on November, 19, 1997, when it failed to meet specifications. In the Spring of 1998, the California Child Support Automation project was initiated to assist counties in need of Year 2000 (Y2K) or other remediation to transition to one of the selected interim consortia systems, and plan the single statewide child support system solution, Statewide Disbursement Unit, and State Case Registry.

On September 24, 1999, AB 150 was enacted. This legislation transferred responsibility for the development and implementation of the single statewide automated system from HHSDC to FTB, but left responsibility for interim systems management with HHSDC. The PRISM project at HHSDC, under an interagency agreement with the California Department of Social Services (CDSS), is responsible for ensuring that all counties will have an automation system that will allow them to continue their child support services while the single statewide automated child support system is being developed and implemented.

Based on the new direction for child support automation as specified in AB 150, the General Fund (GF) resources associated with statewide implementation, contract and consultant costs for new system planning and development, concept development and verification, project management and support, and independent verification and validation were transferred to FTB. However, for Fiscal Year (FY) 1999-00 the federal funds for the statewide system will be budgeted at CDSS and passed through as a reimbursement to FTB. In FY 2000-01, the new Department of Child Support Services (DCSS) becomes the single state agency for the Title IV-D funds. Therefore the FY 2000-01 federal funds will be budgeted at DCSS and passed through as a reimbursement to FTB.

In addition, AB 150 provided for an appropriation of \$6,600,000 to FTB in support of a statewide system. However, the federal funds, Title IV-D, can only be obtained through the single state agency. For FY 1999-00 the federal funds associated with this appropriation will be budgeted at CDSS and passed through as a reimbursement to FTB. For FY 2000-01 the federal funds will be budgeted at DCSS and passed through as a reimbursement to FTB.

### IMPLEMENTATION DATE:

This premise implemented in September 1999.



## Child Support Automation

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10080 et seq.

### METHODOLOGY:

- Child Support Automation – FTB

Legislation transferred the responsibility for the development and implementation of the single statewide automated system from HHSDC to FTB. The estimated federal funds for the single statewide automated system for FY 1999-00 is \$3,736,000, and FY 2000-01 is \$4,615,000.

- Child Support Automation – AB 150 Pass-Through

The estimated federal funds for FY 1999-00 is \$4,356,000, and FY 2000-01 is \$4,356,000.

- Child Support Automation – HHSDC

The state cost projections for Child Support PRISM were based on the project's new management planning tool, which identifies all tasks/activities and assigns these tasks/activities to staff. The major cost components for FY 1999-00 are: 1) SACSS historical data access; 2) project management and support; 3) conversion bridges; and 4) county oversight, including Y2K evaluation and oversight. Changes in the budget estimates reflect the change in direction based on AB 150. The estimated cost for FY 1999-00 is \$11,689,000 federal and \$6,023,000 GF. The cost for FY 2000-01 is \$10,172,000 federal and \$5,241,000 GF.

### FUNDING:

Total costs for Child Support Automation - HHSDC are shared 66 percent federal and 34 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

The increase to the budget is mainly due to increased costs to perform Y2K evaluations and oversight for county interim systems and costs to perform evaluations to determine if counties should remain on their existing legacy system or transition to one of the four selected consortia systems. These increases were offset by elimination of hardware/software costs associated with SACSS and elimination of SACSS litigation and close-out costs in budget year.

### REASON FOR YEAR-TO-YEAR CHANGE:

As a result of AB 196 (Chapter 478, Statutes of 1999) and Senate Bill 542 (Chapter 480, Statutes of 1999), all services and functions necessary to establish, collect, and distribute child support are transferred from the CDSS to the Department of Child Support Services (DCSS). Therefore, the display below reflects the FY 2000-01 funding in the DCSS budget for comparison purposes only. The FY 2000-01 funding for the child support program is not a part of the CDSS budget. For further information, see the DCSS description.

## Child Support Automation

### EXPENDITURES:

(in 000's)

	CDSS	DCSS
	1999-00	2000-01
	County Admin.	County Admin.
Total	\$25,852	\$24,426
Federal	19,813	19,171
State	6,039	5,255
County	0	0
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$25,852	\$0
CDSS	8,092	0
HHSDC	17,760	0

### DCSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$0	\$24,426
DCSS	0	8,971
HHSDC	0	15,455

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## Statewide Electronic Benefits Transfer (EBT) Project

### DESCRIPTION:

This premise reflects the costs associated with planning and implementation activities for the Statewide Electronic Benefits Transfer (EBT) Project. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, mandates an EBT system for food stamps by October 2002.

The California Legislature passed Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997), effective January 1998, which mandated EBT statewide and transferred project management to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. AB 2779 (Chapter 329, Statutes of 1998), which adopted section 10075.5 of the Welfare and Institutions Code (W&IC), states: "The state shall be responsible for procuring and contracting for a single statewide electronic benefits transfer system." The language goes on to state that HHSDC shall be the project manager of the system and shall be responsible for system planning, procurement, development, implementation and all other activities that are consistent with a state-managed project and a statewide system.

The State Legislature requires a system for food stamps and allows counties the option of including cash benefits. EBT uses debit card technology and retailer point-of-sale terminals to automate benefit authorization, delivery, redemption and financial settlement. This eliminates the need for food stamp coupons. EBT also increases the assurance benefit dollars are used appropriately and provides effective ways to reduce and prevent fraud and abuse. For the recipient, EBT increases security and safety while reducing the stigma associated with receiving public assistance.

### IMPLEMENTATION DATE:

Implementation activities are expected to begin in Fiscal Year (FY) 2000-01.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: W&IC section 10069.

### METHODOLOGY:

- The EBT planning costs are detailed in the June 1999 Planning Advance Planning Document Update.
- HHSDC developed an EBT implementation staffing plan based on the staffing and implementation experiences of California's two-county project and other states (i.e., Texas, New York, North Carolina and Colorado) and the experience of other California welfare information technology projects. No vendor payments are anticipated in FY 2000-01.
- Proposed costs for EBT implementation activities are based on estimates developed prior to the procurement. These costs will be revised to reflect the successful proposal.

## Statewide Electronic Benefits Transfer (EBT) Project

### FUNDING:

EBT funding comes from two sources. Federal funds include the normal shares of Food Stamp Program funding. The Temporary Assistance for Needy Families (TANF) Program block grant is the funding source for TANF eligible costs. Based on the cost allocation plan for the project, TANF funds are 100 percent CalWORKs. Project-related TANF funds are identified in total within the "Additional TANF/MOE Expenditures in CDSS" budget item of the auxiliary tables.

### CHANGE FROM PRIOR SUBVENTION:

The EBT Planning schedule has been extended resulting in a corresponding shift to the EBT Implementation schedule. FY 2000-01 implementation activities will advance beyond a single pilot county and into multi-county activities, legal services are required, and administrative cost items increase. Regional implementation staff will be procured under a single consultant services contract and two previously approved consultant positions will be converted to permanent State positions. Also, additional resources for Assistant County Project Managers (located in each county) will be utilized.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2000-01 is due to planning activities concluding, a full-year of implementation activities and a variety of changes to the staffing plan.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$2,130	\$7,270
Federal	1,204	4,110
State	926	3,160
County	0	0
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$2,130	\$7,270
CDSS	0	0
HHSDC	2,130	7,270

## Child Welfare Services – Basic Costs

### DESCRIPTION:

The costs reflected for each component are those incurred by county welfare departments (CWDs) in the administration of the Child Welfare Services (CWS) Program as established through the Welfare and Institutions Code (W&IC) section 16500. W&IC section 11461 (e)(4)(B) provides additional funding to counties as incentives and assistance specifically for the Aid to Families with Dependent Children/Foster Care Specialized Care Program. These funds will be used to cover the purchase of nonrecurring items on an as needed basis, the purchase of services not available through other fund sources, and the development of a respite care program or purchase of respite care services.

#### Emergency Response (ER) Component

ER is designed to provide initial intake services in response to reported allegations of child abuse, neglect or exploitation. CWDs are required to determine whether an in-person investigation of circumstances and facts is required to determine the potential for, or existence of, abuse/neglect, to conduct such investigation, when required, and to identify the need and type of services to be provided.

#### Family Maintenance (FM) Component

FM is designed to provide time-limited protective services to prevent or remedy neglect, abuse or exploitation for the purpose of preventing separation of children from their families. CWDs are responsible for determining the specific service needs of the child and family aimed at sustaining the child in the home.

#### Family Reunification (FR) Component

FR is designed to provide time-limited services while the child is in temporary foster care to prevent or remedy neglect, abuse or exploitation when the child cannot safely remain at home. CWDs are responsible for determining the specific service needs of the child and/or family aimed at reunifying the child with the family.

#### Permanent Placement (PP) Component

PP is designed to provide an alternative permanent family structure for children who because of abuse, neglect or exploitation cannot safely remain at home and who are unlikely to ever return home. The CWDs are responsible for determining the appropriate permanent goal for the child and facilitating the implementation of that goal. These goals are defined as guardianship, adoption or long-term placement.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 16500 and 11461 (e)(4)(B).
- The workload standard was adopted by the Department in conjunction with the County Welfare Directors' Association in 1984. These standards are 15.8 for ER, 35.0 for FM, 27.0 for FR, 54.0 for PP and 320.0 for ER assessments.
- The statewide annual cost of a social worker (SW) (\$110,945) was based on the estimated cost of providing services, to include total staff costs, support costs, and electronic data processing costs, provided in the Fiscal Year (FY) 1999-00 proposed county administrative budgets and adjusted for a 3.93 percent cost-of-doing-business increase.

## Child Welfare Services – Basic Costs

### KEY DATA/ASSUMPTIONS (continued):

- All counties are now reporting caseload data on the CWS/Case Management System (CMS). At this time, there are limited data to develop reliable caseload forecasts based solely on the system. Therefore, caseload projections were developed for each individual county using the FY 1999-00 level as a base and adjusted based on CWS/CMS caseload data from the period of January through June 1999.
- For the first quarter of FY 1999-00, costs are calculated for the State expenditures which are not used to match federal funds and meet the goal of keeping children in their own homes. These costs are countable toward the maintenance of effort.

### METHODOLOGY:

#### FY 1999-00

There is no change from the appropriation.

#### FY 2000-01

- The estimated total expenditure is derived using individual county caseload projections.
- The SW full-time equivalents (FTEs) are determined by applying the workload standards to the corresponding component's projected caseload, expanded for a 7:1 supervisory ratio.
- The annual cost of a SW in each county is applied to the total number of FTEs in each county to derive staff costs.
- Direct costs are projected from FY 1998-99 actual expenditures, adjusted for increases in costs of providing services and statewide average caseload growth from FY 1998-99 to FY 2000-01. Total direct costs, excluding county-operated emergency shelter care, are \$73.4 million for the 58 counties. The projected county-operated emergency shelter care costs are \$41.6 million for those counties with county-operated emergency shelters.
- Once the total CWS basic costs are derived, costs for the Emergency Assistance Program are subtracted and are displayed separately under the Emergency Assistance Program Premise. The Emergency Assistance Program costs are determined based on FY 1998-99 usage rates.

### FUNDING:

- The federal share of costs is a combination of Titles IV-B, IV-E and XIX funds. The Title IV-B funds are limited by the capped federal allocation.
- The estimated Title IV-B funds available in local assistance for FY 2000-01 are \$35.2 million. These funds have a 75-percent federal match rate.
- The Title IV-E amount reflects the actual experience from FY 1998-99 that 37 percent of the expenditures will be eligible for Title IV-E funding.
- The Title XIX amount for FY 2000-01 is calculated using individual county usage rates based on FY 1998-99 expenditure data which reflect that three percent of the total costs will be eligible for Title XIX funding.
- Nonfederal costs are shared at 70 percent state and 30 percent county.

## Child Welfare Services – Basic Costs

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 estimate has been updated for caseload, actual expenditures, and the cost of doing business.

### CASELOAD:

(Average Monthly)

	1999-00	2000-01
Emergency Response	46,399	46,598
Family Maintenance	36,250	36,167
Family Reunification	36,236	36,207
Permanent Placement	69,370	69,496

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$753,700	\$777,994
Federal	307,208	367,382
State	293,449	294,014
County	123,168	88,012
Reimbursements	29,875	28,586

### WEIGHTED COSTS BY COMPONENT:

	1999-00		2000-01	
	TOTAL FUNDS	GENERAL FUND	TOTAL FUNDS	GENERAL FUND
Emergency Response	\$335,405	\$130,588	\$347,096	\$131,172
Family Maintenance	118,292	46,056	121,614	45,960
Family Reunification	153,282	59,680	157,822	59,643
Permanent Placement	<u>146,721</u>	<u>57,125</u>	<u>151,462</u>	<u>57,239</u>
	\$753,700	\$293,449	\$777,994	\$294,014



## Child Welfare Services – Basic Costs

### EXPENDITURES (continued):

#### RECONCILIATION OF FEDERAL FUNDS:

	1999-00	2000-01
Title IV-B	\$35,193	\$35,193
Title IV-E	272,015	332,189
Title XIX	<u>29,875</u>	<u>28,586</u>
Total Federal Funding	\$337,083	\$395,968

#### SPECIALIZED CARE:

	1999-00	2000-01
Total	\$5,606	\$7,886
Federal	0	0
State	5,606	7,886
County	0	0

## **Child Welfare Services/Case Management System – System Support Staff**

### **DESCRIPTION:**

This premise reflects the cost for county administrative staff needed to support the Child Welfare Services/Case Management System which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989). These staff are needed for the ongoing operations of the system.

### **IMPLEMENTATION DATE:**

There is a staggered implementation, based on individual county starting dates beginning in Fiscal Year (FY) 1996-97.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Staffing is based on a staff to workstation ratio of 1:50 for all counties.
- For FY 1999-00, the electronic data processing (EDP) average monthly salaries were used from each county's proposed county administrative budget. For FY 2000-01, the salaries were adjusted for a 3.93 percent cost-of-doing-business (CODB) increase. If a county did not have an EDP salary, then the county's administrative salary was used.
- There are 14,404 statewide workstations in FY 1999-00 and 15,509 in FY 2000-01.

### **METHODOLOGY:**

Full-time equivalent (FTE) system support staff are calculated by applying the staff to workstation ratio to the total number of workstations in each individual county. These FTEs are funded at each county's individual EDP/administrative salary.

### **FUNDING:**

For each fiscal year, the federal share is 50 percent, from Statewide Automation Child Welfare Information System funds. The nonfederal share is split 70 percent State General Fund and 30 percent county.

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The increase is due to an increase in statewide workstations and a 3.93 percent CODB increase applied to the EDP/administrative salaries.

## Child Welfare Services/Case Management System – System Support Staff

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$16,946	\$18,252
Federal	8,473	9,126
State	5,931	6,388
County	2,542	2,738
Reimbursements	0	0

## **Child Welfare Services – Emergency Assistance Program**

### **DESCRIPTION:**

In 1993, the Department implemented a statewide Emergency Assistance (EA) Program under Title IV-A of the Social Security Act for county welfare departments which provides funding for emergency shelter care to children determined to be at risk due to abuse, neglect, abandonment, or exploitation.

In 1994, the Department implemented crisis resolution and emergency response (ER) as the child welfare services components of emergency assistance. Crisis resolution provides services to families aimed at resolving family crises without removing the child from the home or by allowing the child to be returned to the family with the provision of supporting services to ensure child safety. Under EA/ER, State General Funds (GF) will be available for emergency response activities such as receiving and assessing referrals, investigating emergency allegations, and gathering and evaluating relevant information.

EA case management is defined as an array of activities directed to a specific child. These activities include, but are not limited to, developing a case or service plan for a child, working with foster or adoptive parents to prepare them to receive a child, case and administrative reviews, case conferences, or permanency planning meetings.

### **IMPLEMENTATION DATE:**

Emergency Shelter Care - This component implemented on September 1, 1993.

Crisis Resolution - This component implemented on August 1, 1994.

Emergency Response - This component implemented on August 1, 1994.

Case Management - This component implemented on October 1, 1995.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 15204.25.
- Actual EA usage rates from Fiscal Year (FY) 1997-98 were used to develop the FY 1999-00 estimate. Actual EA usage rates from FY 1998-99 are used to develop the FY 2000-01 estimate.
- The state and county funds for the first quarter of FY 1999-00 are countable toward the maintenance of effort.

### **METHODOLOGY:**

The estimate is calculated based on actual usage rates which are applied to the Child Welfare Services Basic costs.

### **FUNDING:**

For the first quarter of FY 1999-00, this program is funded with state and county funds only. Assembly Bill 67 (Chapter 606, Statutes of 1997) added section 15204.25 to the Welfare and Institutions Code which replaced the federal share with State GF. The sharing ratio for shelter care EA eligible cases under 30 days and all other EA components is 85 percent state and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent state and 50 percent county funds.

With the implementation of the final federal Temporary Assistance for Needy Families (TANF) Program regulations beginning October 1, 1999, the GF is being replaced with TANF funds for the last three quarters of FY 1999-00 and the full FY 2000-01. The sharing ratio for shelter care EA eligible cases under 30 days and all other EA components is 85 percent federal and 15 percent county. For shelter care EA eligible cases over 30 days, the ratio is 50 percent federal and 50 percent county funds.

## Child Welfare Services – Emergency Assistance Program

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2000-01 estimate has increased due to updated actual usage rates and reflects a full year of federal funding.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01	1999-00	2000-01
<b>Case Management</b>			<b>Emergency Shelter Care</b>	
Total	\$72,351	\$67,317	\$33,393	\$41,995
Federal	46,124	57,219	18,303	31,528
State	15,374	0	6,101	0
County	10,853	10,098	8,989	10,467
Reimbursements	0	0	0	0
<b>Crisis Resolution</b>			<b>Emergency Response</b>	
Total	\$6,008	\$2,616	\$100,225	\$129,457
Federal	3,830	2,224	63,894	110,038
State	1,277	0	21,298	0
County	901	392	15,033	19,419
Reimbursements	0	0	0	0
<b>Combined Total</b>	<b>County Admin.</b>	<b>County Admin.</b>		
Total	\$211,977	\$241,385		
Federal	132,151	201,009		
State	44,050	0		
County	35,776	40,376		
Reimbursements	0	0		

## State Family Preservation – Permanent Transfer

### DESCRIPTION:

This premise reflects the authorization for the permanent transfer of funds from foster care to child welfare services for counties that had a family preservation program in operation at least three years. In accordance with Assembly Bill 2365 (Chapter 71, Statutes of 1992), the three-year requirement can be met by a county using time periods in which the county funded and operated an approved plan for family preservation. The amount of funds to be permanently transferred cannot exceed 70 percent of the highest annual amount spent for family preservation. Once the permanent transfer of funds has occurred, the incentive/penalty provisions under current law will no longer be in force. The transferred funds will be incorporated into the base funding allocations of the participating counties in later years.

### IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 1993-94.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- The state share of funds reflected in this estimate is 70 percent of the highest annual amount expended for family preservation services by 14 counties (Alameda, Contra Costa, Humboldt, Mendocino, Napa, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, Solano, and Stanislaus).
- The nonfederal costs equal 76.89 percent of the total costs, based on FY 1998-99 expenditures.

### METHODOLOGY:

- For FY 1999-00, the total General Fund (GF) amount from FY 1998-99 (\$7,780,000) is increased by 3.45 percent for the cost of doing business (CODB). The total GF amount was divided by 70 percent to determine the total nonfederal amount (\$11,498,000). Total funds were calculated by dividing 0.7777 (percent to total expenditures) into the total nonfederal amount.
- The same assumptions used in FY 1999-00 were used to develop totals for FY 2000-01. The total General Fund (GF) amount from FY 1999-00 (\$8,037,000) is increased by 3.93 percent for the CODB. The GF amount divided was by 70 percent to calculate the total nonfederal amount (\$11,933,000). Total funds were calculated by using the percent to total expenditures of 0.7689 to divide into the total nonfederal amount. The federal share of \$3,587,000 is then obtained by subtracting the total nonfederal dollars from the total funds. The county share of costs is \$3,580,000, based on 30 percent of the total nonfederal dollars.

### FUNDING:

It is assumed that federal and nonfederal costs will be shared at 23.02 percent and 76.98 percent, respectively, based on the most current expenditures. Nonfederal costs will be shared 70 percent state and 30 percent county.

## State Family Preservation – Permanent Transfer

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Changes are due to increases in the percent-to-total expenditures and in the CODB.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$14,785	\$15,520
Federal	3,287	3,587
State	8,049	8,353
County	3,449	3,580
Reimbursements	0	0

## **State Family Preservation – Los Angeles County (Formerly: State Family Preservation – Foster Care Transfer)**

### **DESCRIPTION:**

This premise reflects the funding for the State Family Preservation (SFP) Program, prior to the counties' SFP permanent transfer. The SFP Program was initiated in 1988 with Assembly Bill (AB) 588 (Chapter 105, Statutes of 1988), which established a two-year family preservation pilot project in three counties (Alameda, Napa, and Solano). Additionally, AB 3773 (Chapter 1120, Statutes of 1990), AB 1696 (Chapter 1117, Statutes of 1990), and AB 2939 (Chapter 1463, Statutes of 1990) extended the SFP Program in the three original pilot counties and expanded the program to 12 additional counties (Contra Costa, Humboldt, Los Angeles (LA), Mendocino, Placer, Riverside, Sacramento, San Diego, San Luis Obispo, Santa Clara, Santa Cruz, and Stanislaus). Subsequently, AB 948 (Chapter 91, Statutes of 1991) established the SFP Program as a statewide program and changed the funding ratio for foster care. AB 776 (Chapter 1006, Statutes of 1993) increased the amount to be advanced from 10 percent to 25 percent and expanded allowable SFP services and the population eligible for services.

Under the provisions of the SFP Program, an involved county is allowed to use a portion of the projected state share of Aid to Families with Dependent Children-Foster Care Program grant funds to help reduce or prevent out-of-home placements. Specifically, the SFP funds are used for emergency response, family maintenance, and family reunification services.

At this time, the only county that has not elected to permanently transfer the SFP Program is LA County. Since LA County is the only county that has not moved into permanent transfer status, this premise has been renamed to reflect that continuance.

Formerly, this premise identified the amount of funding being transferred from foster care grant payments (Item 101) to child welfare services (CWS) (Item 151) to provide SFP Program funding. Funding has now been moved entirely to CWS Item 151 for administrative purposes.

### **IMPLEMENTATION DATE:**

This premise implemented on November 1, 1988.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 16500.5 through 16500.7.
- LA County is the only county that has not elected to permanently transfer the SFP Program.
- The projection for LA County is based on foster care State General Fund (GF) expenditures five years prior to starting the SFP Program.
- Once established, there is no change in the projection of the county's advance amount of GF dollars.



## State Family Preservation – Los Angeles County (Formerly: State Family Preservation – Foster Care Transfer)

### METHODOLOGY:

- The methodology for projecting foster care expenditures was changed in accordance with AB 776 (Chapter 1006, Statutes of 1993), as follows:
- **Item 101** – For Fiscal Year (FY) 1999-00, funding has been moved to CWS (Item 151).
- **Item 151** – For FYs 1999-00 and 2000-01, the estimate reflects LA County continuing to provide SFP services under SPF Foster Care Transfer. The projected GF amount of \$26,618,680 is divided by 86.93 percent (based on the FY 1995-96 percentage GF dollars) to include federal financial participation of 13.07 percent, for the total dollar amount of \$30,620,821.
- The 14 counties that have permanently transferred their SFP programs are included in the State Family Preservation - Permanent Transfer Premise under CWS (Item 151).

### FUNDING:

It is assumed that costs will be funded with 86.93 percent nonfederal funds and 13.07 percent federal funds. The nonfederal costs are 100 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$30,621	\$30,621
Federal	4,002	4,002
State	26,619	26,619
County	0	0
Reimbursements	0	0

## Family Preservation and Support Program – Federal

### DESCRIPTION:

This premise reflects the federal funding for family preservation and community-based family support services. The Omnibus Budget Reconciliation Act of 1993 established a new, capped entitlement program under Title IV-B.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16600 through 16604.5.
- The federal Title IV-B funds cannot be used to supplant existing state or local spending.
- A 25 percent match from state or county funds is required. This match is made available through existing State Family Preservation Program funds.

### METHODOLOGY:

- The federal funds for this program were converted from a Federal Fiscal Year (FFY) to a State Fiscal Year.

### FUNDING:

This premise reflects only federal grant funds. The grants are two-year grants, and there is a one-year delay in grant utilization.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase in the federal grant for FFY 2000.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$35,462	\$36,550
Federal	35,462	36,550
State	0	0
County	0	0
Reimbursements	0	0

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## Independent Living Program

### DESCRIPTION:

This premise reflects the federal grant portion of the Independent Living Program (ILP). The Omnibus Budget Reconciliation Act of 1993 permanently authorized this program, which offers training to foster care adolescents and emancipated youth aged 16 up to the age of 21 years, enabling them to be independent when their foster care terminates. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1988.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- Funding is based on the federal grant awards for the ILP.

### METHODOLOGY:

- A supplemental federal grant of \$12,252,000 was awarded to the State beginning in Fiscal Year (FY) 1998-99. This supplemental federal grant will be spread over a four-year period beginning with FY 1998-99. The first two years of the supplemental grant amount was \$2,013,750 (\$2,204,750 less \$125,000 for a contract study and less \$66,000 for 1 staff person). For the remaining two years the supplemental grant amount is for \$3,855,250 (\$3,921,250 less \$66,000 for 1 staff person)
- For FYs 1999-00 and 2000-01, the federal grant for this program remains at \$8,023,999 with \$7,004,215 available for local assistance. An additional grant award (\$4,457,778 for FY 199-00 and \$4,496,079 for FY 2000-01) is allocated to the State to be matched by state or county fund expenditures.
- The total amount available for FY 1999-00 is \$13,475,743 (\$2,013,750 + \$7,004,215 + \$4,457,778). The total amount available for FY 2000-01 is \$15,355,544 (\$3,855,250 + \$7,004,215 + \$4,496,079).

### FUNDING:

Funds budgeted are federal grant funds. The matching funds are provided through social worker expenditures within foster care group home assistance payments.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is an increase in the funds available FY 2000-01.

## Independent Living Program

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$13,476	\$15,356
Federal	13,476	15,356
State	0	0
County	0	0
Reimbursements	0	0

## Extended Independent Living Program Services

### DESCRIPTION:

This premise reflects the State General Fund (GF) portion of the Independent Living Program (ILP), which provides training for eligible foster care adolescents aged 16 and up to the age of 21 years, enabling them to be independent when their foster care terminates. Senate Bill 933 (Chapter 311, Statutes of 1998) implemented the GF portion to extend ILP services to 100 percent of the eligible foster care adolescent population, up to the age of 21 years. County welfare departments provide or arrange for the provision of services that facilitate the transition of foster children to emancipated lifestyles.

### IMPLEMENTATION DATE:

This premise implemented in September 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10609.3.
- The federal grant for Federal Fiscal Year 1998 for the ILP program is \$13,545,000.
- Based on SOC 405a, the ILP Annual Statistical Report, 7,330 eligible youths are receiving ILP services.
- The total population eligible to receive ILP services is 15,514, which include welfare and probation youths aged 16 through 18 years (13,681) and 19 through 21 years (1,833).

### METHODOLOGY:

- The percentage of youths receiving ILP services (47 percent) was calculated by dividing the current number of youths receiving ILP services by the total eligible population ( $7,330 \div 15,514$ ). The remaining 53 percent represent the number of youths not being served.
- To calculate the total funding needed to serve the entire eligible population, the grant amount was divided by 47 percent ( $\$13,545,000 \div .472 = \$28,697,000$ ). The grant amount was then subtracted from the total funding to calculate the amount needed to serve the remaining 53 percent of youths not being served ( $\$28,697,000 - \$13,545,000$ ).

### FUNDING:

This premise is funded with 100 percent State GF.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Extended Independent Living Program Services

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$15,152	\$15,152
Federal	0	0
State	15,152	15,152
County	0	0
Reimbursements	0	0

## Child Welfare Training Program

### DESCRIPTION:

This premise reflects the costs for providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to emergency response, family maintenance, family reunification, permanent placement, and adoptions responsibilities. The training program was established by Senate Bill (SB) 834 (Chapter 1310, Statutes of 1987), and extended permanently with SB 1125 (Chapter 1203, Statutes of 1991).

The Child Welfare Training Program includes training for other agencies under contract with county welfare departments to provide child welfare services. The program also includes crisis intervention, investigative techniques, rules of evidence, indicators of abuse and neglect, assessment criteria, intervention strategies, family-based services, legal requirements of child protection, case management, and the use of community resources.

This premise also includes funding for the structured decision making (SDM) model developed by the National Council on Crime and Delinquency (NCCD), the Department and seven pilot counties. For Fiscal Year (FY) 2000-01, \$759,000 (\$287,000 GF) is included to continue the funding of the SDM project.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the Department.

### METHODOLOGY:

The General Fund (GF) for FYs 1999-00 and 2000-01 is based on contract cost. The federal discount rate of 83 percent is applied.

### FUNDING:

Federally eligible costs are shared at 75 percent federal and 25 percent state. Nonfederally eligible costs are funded with 100 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

The current year increase to federal funds reflects the eligible in-kind Title IV-E match provided by universities.

### REASON FOR YEAR-TO-YEAR CHANGE:

Increases in FY 2000-01 are due to the SDM contract extension and cost-of-doing-business increases for some of the contracts.



## Child Welfare Training Program

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$11,289	\$12,600
Federal	8,509	9,367
State	2,780	3,233
County	0	0
Reimbursements	0	0

## **Substance Abuse/HIV Infant Program (Options for Recovery)**

### **DESCRIPTION:**

This premise reflects the costs for the recruitment, special training and respite care of specially recruited and trained foster family providers caring for children who have medical problems related to drug or alcohol exposure or to AIDS. Originally established as a demonstration project by Senate Bill (SB) 1173 (Chapter 1385, Statutes of 1989) and Assembly Bill (AB) 2268 (Chapter 1437, Statutes of 1989), the Options for Recovery Program was extended by SB 1050 (Chapter 296, Statutes of 1993) and made into a permanent program in 1997 by AB 67 (Chapter 606, Statutes of 1997).

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1989.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 16525.1 through 16525.30.
- The savings to the Foster Care Program resulting from diverting children from expensive out-of-home placements are reflected in the caseload and expenditure trends for foster care.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available. Currently, there are 11 counties that are participating or have submitted plans to participate in this program.

### **METHODOLOGY:**

- In both Fiscal Years 1999-00 and 2000-01, the State General Fund (GF) remains at the appropriation level. The foster care federal discount rate of 83 percent was applied to both the training and recruitment components.

### **FUNDING:**

Respite care is funded 70 percent GF and 30 percent county funds. The training and recruitment components are funded with 75 percent and 50 percent federal funds, respectively, after the foster care federal discount rate is applied. The nonfederal portion is funded 70 percent GF and 30 percent county funds.

### **CHANGE FROM PRIOR SUBVENTION:**

There is no change.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Substance Abuse/HIV Infant Program (Options for Recovery)

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$13,514	\$13,514
Federal	2,513	2,513
State	7,701	7,701
County	3,300	3,300
Reimbursements	0	0

## Child Welfare Services – Pass-Through Title IV-E Costs

### DESCRIPTION:

This premise is to pass through federal Title IV-E funds for probation costs, foster parent training, and social work training as described below.

### IMPLEMENTATION DATE:

Probation Costs	June 1991	Foster Parent Training Fund	1990-91
Social Work Training	1992-1993	Foster Parent Training – Chancellor’s Office	1998-99

### METHODOLOGY:

This premise includes the combined estimated expenditures for the following four Title IV-E pass-through costs:

- Probation Costs. The State applied for and received federal funding for certain functional areas of county probation staff activities that are similar to the Title IV-E eligible tasks of county social services workers. This federal funding source will be passed through to the counties for their federally eligible activities related to the probation cases in the foster care caseload and the Title IV-E eligible training of probation and mental health staff who provide services to children.
- Foster Parent Training Fund. The Foster Parent Training Fund provides funding for foster parent training programs that are conducted in community colleges in consultation with the California State Foster Parents Association and the Department. Each year \$1 million (total funds) is allocated from the fund to the Foster Parent Training Program. Since the end of 1990-91, the Department of Health and Human Services has allowed Title IV-E funds to be claimed for foster parent training. The federal discount rate of 83 percent is applied to these costs.
- Foster Parent Training -- Chancellor’s Office. The Title IV-E funds will be used to match the Department of Education’s Proposition 98 funds for the purpose of reimbursing the Chancellor’s Office of the California Community Colleges for the federal share of costs in providing foster parent training. Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996), AB 1127 (Chapter 216, Statutes of 1996), and Senate Bill 916 (Chapter 542, Statutes of 1997) initiated required training for foster parents to become eligible to care for children placed in foster care.
- Social Worker Training. An agreement between the Department, the University of California and the California State University was implemented for a statewide training program to increase the number of social workers employed in California county child welfare services. This effort was initiated due to the shortage of professionals in public child welfare services, especially those holding a master's degree in social work.

Currently, there are 13 schools of social work participating. Financial aid is provided through the Title IV-E federal reimbursement program which covers operational costs to the participating institutions and grants to students.

### FUNDING:

Costs shown represent 100 percent federal pass-through funds. There is no State General Fund match in any of the programs.

## Child Welfare Services – Pass-Through Title IV-E Costs

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Changes in probation costs for FY 2000-01 are due to the changes in caseload growth projections and an increase in actual expenditures.

### EXPENDITURES:

(in 000's)

<b>Probation:</b>	1999-00 County Admin.	2000-01 County Admin.	<b>Social Worker Training:</b>	1999-00 County Admin.	2000-01 County Admin.
Total	\$88,527	\$89,267	Total	\$16,500	\$16,500
Federal	88,527	89,267	Federal	16,500	16,500
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0
<b>Foster Parent Training Fund:</b>	1999-00 County Admin.	2000-01 County Admin.	<b>Foster Parent Training – Chancellor's Office:</b>	1999-00 County Admin.	2000-01 County Admin.
Total	\$623	\$623	Total	\$2,250	\$2,250
Federal	623	623	Federal	2,250	2,250
State	0	0	State	0	0
County	0	0	County	0	0
Reimbursements	0	0	Reimbursements	0	0
<b>COMBINED TOTAL:</b>	1999-00 County Admin.	2000-01 County Admin.			
Total	\$107,900	\$108,640			
Federal	107,900	108,640			
State	0	0			
County	0	0			
Reimbursements	0	0			

## Foster Parent Training and Recruitment

### DESCRIPTION:

This premise reflects the costs for the enhanced statewide foster parent training and recruitment program. As part of the Foster Care Initiative, Assembly Bill (AB) 2129 (Chapter 1089, Statutes of 1993), the Department was required to develop and implement an expanded foster parent training program, and to provide specialized training for foster parents of children with special care needs. Expansion of recruitment activities for minority and sibling placements is also specifically emphasized.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1994.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 903.8.
- Total funding is assumed to be split 50 percent for training and 50 percent for recruitment.

### METHODOLOGY:

- For Fiscal Year (FY) 1999-00, the total fund amount from FY 1998-99 was increased by 3.45 percent for the cost-of-doing-business (CODB).
- For FY 2000-01, the total fund amount has been increased by 3.93 percent for the CODB.

### FUNDING:

This program is eligible for Title IV-E federal funding. After the foster care federal discount rate of 83 percent is applied, costs are shared 75 percent federal/25 percent nonfederal for the training costs, and 50 percent federal/50 percent nonfederal for the recruitment costs. The nonfederal portion is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Funding for FY 2000-01 has increased due the CODB increase.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$3,201	\$3,327
Federal	1,661	1,726
State	1,540	1,601
County	0	0
Reimbursements	0	0

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## **Child Welfare Services – Teen Pregnancy Disincentive**

### **DESCRIPTION:**

This premise reflects the costs for a program designed to discourage teen pregnancy and encourage appropriate parenting of teen parents and their children. As established by Assembly Bill 908 (Chapter 304, Statutes of 1995), the guidelines require pregnant and parenting teens to live with their parents or legal guardians as a condition for receiving welfare benefits unless specific conditions exist. Teen parents not living at home will live in an appropriate, supervised setting. Minor parent services (MPS) will be provided if deemed necessary.

### **IMPLEMENTATION DATE:**

The investigative part of this premise implemented on May 1, 1997.

The MPS part of this premise implemented on June 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 11254, 16504(b), and 16506.
- It is assumed that any situations of abuse or neglect under W&IC section 300 requiring a foster care living arrangement resulting from this investigation, is already reflected in child welfare services (CWS) and foster care trends.
- For the investigation data, it is assumed that a social worker will spend four hours investigating each case. The four hours include one and one-half hours each for two client contacts, including interviews and documentation: one with the teen parent and one with the teen parent's parent(s) or legal guardian. An additional hour is allocated for travel and time to prepare a report of the social worker's findings. It is assumed that 100 percent of the clients applying for welfare benefits will receive an assessment.
- Based on historical family maintenance data, it is assumed that minor parents (mostly those at 17 years of age) will be allowed to form their own assistance units (AUs) and receive MPS. The estimated number of minor parents approved for their own AUs at age 17 is based on the September 1992 AFDC application survey. An average of six months of services is estimated for each case.

### **METHODOLOGY:**

- Costs for investigations in Fiscal Year (FY) 1999-00 are based on the four hours of investigating time for the projected caseload. This time is multiplied by the hourly cost of a CWS social worker (17,924 cases x 4 hours x \$60.04 per hour).
- Costs for investigations in FY 2000-01 are based on the four hours of investigating time for the projected caseload. This time is multiplied by the hourly cost of a CWS social worker (17,064 cases x 4 hours x \$62.45 per hour).
- The MPS costs are based on the estimated number of minor parents approved for their own AUs (along with their child) for an average of six months of service estimated for each case. Annual social worker costs, plus direct costs (13.54 percent for FY 1999-00 and 13.46 percent for FY 2000-01) are calculated for the total number of MPS cases served.



## Child Welfare Services – Teen Pregnancy Disincentive

### FUNDING:

The costs of performing the investigations and providing MPS are eligible for funding under the TANF block grant. All nonfederal costs are shared 70 percent state and 30 percent county.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is a decrease in the projected number of investigations. There are increases in the MPS caseload, the hourly cost of a social worker decreases the percentage for direct costs.

### EXPENDITURES:

(in 000's)

<b>COMBINED TOTAL:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$7,934	\$8,082
Federal	3,967	4,041
State	2,777	2,828
County	1,190	1,213
Reimbursements	0	0

<b>Investigations:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$4,306	\$4,264
Federal	2,153	2,132
State	1,507	1,492
County	646	640
Reimbursements	0	0

<b>Minor Parent Services:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$3,628	\$3,818
Federal	1,814	1,909
State	1,270	1,336
County	544	573
Reimbursements	0	0

## Child Welfare Services – Kinship Support Services

### DESCRIPTION:

This premise reflects the costs for the grants-in-aid program that provides start-up and expansion funds for local kinship support service programs. As designated by Assembly Bill (AB) 1193 (Chapter 794, Statutes of 1997), the Kinship Support Services Program is authorized to be conducted by the Department with the initial grants being awarded in July 1998 to eight counties. These programs are to provide community-based family support services to kinship (relative) caregivers and the children who are placed in their homes by the juvenile court or who are at risk of dependency or delinquency.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutes Code section 16605.
- Participating counties for Fiscal Year (FY) 2000-01 are: Contra Costa, Los Angeles, Monterey, Riverside, San Diego, San Francisco, San Mateo, and Santa Clara.

### METHODOLOGY:

- The FYs 1999-00 and 2000-01 estimates reflect the full program grant costs.

### FUNDING:

This program is funded 100 percent with State General Fund as specified by AB 1193.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,500	\$1,500
Federal	0	0
State	1,500	1,500
County	0	0
Reimbursements	0	0

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## Child Welfare Services/Case Management System Staff Development

### DESCRIPTION:

This premise funds staff development for the Child Welfare Services/Case Management System (CWS/CMS) which was implemented as a result of Senate Bill 370 (Chapter 1294, Statutes of 1989).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- The cost per hour of training is \$42.78 for Fiscal Year (FY) 1999-00 and adjusted to \$44.46 for FY 2000-01 due to the cost of doing business (3.93 percent).
- The estimate assumes an 11.5 percent staff turnover rate.
- For FY 1999-00, the number of statewide users is estimated at 14,404 based on the actual number of users as of February 1999 plus the average caseload growth percentage from FY 1998-99 to FY 1999-00 (2.28 percent) for the CWS Basic Program.
- For FY 2000-01, the number of statewide users is estimated at 15,509 based on the actual number of users as of June 1999 plus the average caseload growth percentage from FY 1998-99 to FY 1999-00 (2.28 percent) and FY 1999-00 to FY 2000-01 (0.17 percent) for the CWS Basic Program.
- The estimate includes costs for five training components plus costs to maintain three training tools:

#### New User Training

FY 1999-00: provides 40 hours of basic training for newly hired staff as a result of caseload growth and staff turnover (3,182).

FY 2000-01: provides 44 hours of basic training for newly hired staff as a result of caseload growth and staff turnover (2,926).

Intermediate/Advanced Training – provides 16 hours of training to 50 percent of the existing service providers (6,346 in FY 1999-00 and 6,778 in FY 2000-01) on the more difficult tasks not covered in the new user training.

Management/Supervisory Training – provides 16 hours of training to 50 percent of management staff (761 in FY 1999-00 and 849 in FY 2000-01) on the supervisory process of approvals and program management reports.

System Support Training – provides 24 hours of training to newly hired system support staff as a result of caseload growth and staff turnover (67 in FY 1999-00 and 56 in FY 2000-01) in order to assist other users as needed.

#### Database Training

FY 1999-00: provides 40 hours of training to 50 percent of the staff responsible for extracting and interpreting caseload data (96).

## Child Welfare Services/Case Management System Staff Development

### KEY DATA/ASSUMPTIONS (continued):

FY 2000-01: provides 24 hours of training to 50 percent of the staff responsible for extracting and interpreting caseload data (128).

The cost for updating and distributing the Scenario Manager Training is \$80,000 for FY 1999-00 and \$70,000 for FY 2000-01. The cost for updating and distributing the Computer Based Training Tool is estimated at \$125,000 per year. The cost for supplying database and mainframe resources for the Training Region Training Tool is \$100,000 for FY 1999-00, and \$75,000 for FY 2000-01.

### METHODOLOGY:

Costs are calculated for each training component by multiplying the number of users being trained by the number of hours of training at the hourly cost for training. Costs are then added for the three training tools.

FY 1999-00:  $(3,182 \times 40 \times \$42.78) + (6,346 \times 16 \times \$42.78) + (761 \times 16 \times \$42.78) + (67 \times 24 \times \$42.78) + (96 \times 40 \times \$42.78) + \$80,000 + \$125,000 + \$100,000$ .

FY 2000-01:  $(2,926 \times 44 \times \$44.46) + (6,778 \times 16 \times \$44.46) + (849 \times 16 \times \$44.46) + (56 \times 24 \times \$44.46) + (128 \times 24 \times \$44.46) + \$70,000 + \$125,000 + \$75,000$ .

### FUNDING:

It is assumed that federal Title IV-E and nonfederal costs will be split at 62.25 percent and 37.75 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Nonfederal costs will be shared 70 percent state and 30 percent county.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

Costs increase due to an update in the number of hours of training, an increase in the statewide number of users and the cost per hour.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$10,849	\$11,616
Federal	6,753	7,231
State	2,867	3,070
County	1,229	1,315
Reimbursements	0	0

## **Child Welfare Services/Case Management Services Ongoing**

### **DESCRIPTION:**

This premise reflects the costs related to the ongoing and administrative support of the Child Welfare Services/Case Management System (CWS/CMS). As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive data base, case management tool, and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification, and permanent placement. CWS/CMS also includes information regarding adoptions to produce the semiannual adoption and foster care analysis reporting system reports.

CWS/CMS provides: (1) immediate statewide data on referrals for children at risk of abuse, neglect or exploitation; (2) immediate case status and case tracking for children and families receiving child welfare services; (3) all necessary information and forms required to determine eligibility for the Aid to Families with Dependent Children - Foster Care Program; (4) tracking for all placement activities for children in foster care; and (5) issuance of the appropriate notice of action messages, court reports and service plans. The system also produces all required state and federal reports.

In July 1995, the Health and Welfare Agency directed the transfer of major information technology projects from the California Department of Social Services (CDSS) to the California Health and Human Services Agency Data Center (HHSDC), formerly known as the Health and Welfare Data Center. HHSDC administers the projects under an interagency agreement with CDSS.

### **IMPLEMENTATION DATE:**

This premise became effective Fiscal Year (FY) 1995-96.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- All counties became operational with the completion of data conversion in the summer of 1998. Costs are based on the FY 2000-01 Budget Change Proposals (BCPs).

### **METHODOLOGY:**

Costs represent ongoing maintenance and operations costs associated with support and oversight of the CWS/CMS. Costs include the wide-area network maintained by HHSDC, HHSDC administrative support, and vendor costs related to operation, support, and maintenance of the application and technical architecture.

### **FUNDING:**

Federal funding for ongoing CWS/CMS costs is based on the federal cost allocation plan for CMS. Federally eligible costs are shared at 50 percent federal Title IV-E and 50 percent state.

## Child Welfare Services/Case Management Services Ongoing

### CHANGE FROM PRIOR SUBVENTION:

This premise reflects an increase in funding for maintenance and operations of the CWS/CMS. The funding requests are reflected in two BCPs submitted by HHSDC for increased resources for administrative oversight and technical infrastructure changes to maintain the technical viability and usability of the system in accordance with the CWS/CMS Technology Maintenance Plan.

### REASON FOR YEAR-TO-YEAR CHANGE:

The November 1999 Subvention reflects an increase for administrative oversight and technical infrastructure changes.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$56,795	\$77,383
Federal	28,397	38,691
State	28,398	38,692
County	0	0
Reimbursements	0	0

### CDSS/HHSDC PARTNERSHIP:

(in 000's)

	1999-00	2000-01
Total	\$56,795	\$77,383
CDSS	0	0
HHSDC	56,795	77,383

## Child Health and Safety Fund

### DESCRIPTION:

This premise reflects the Office of Child Abuse Prevention's (OCAP) share of the Child Health and Safety Fund (CHSF) established for the purpose of child abuse prevention in the community. Assembly Bill 3087 (Chapter 1316, Statutes of 1992) established the CHSF. Monies for this fund are generated through the Department of Motor Vehicles' (DMV) "Have a Heart, Be a Star, Help our Kids" license plate program. The percentage of this money that can be used for OCAP programs is 22.5 percent.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Vehicle Code section 5072.
- The total projected CHSF revenue for Fiscal Year 2000-01 is \$1,391,000.
- OCAP may utilize 22.5 percent of this fund for child abuse prevention in the community.

### METHODOLOGY:

The estimated revenue was projected based on the last two years of actual revenue from the DMV license plate program. Of this revenue, 22.5 percent can be transferred to the counties to be used for child abuse prevention activities (\$1,391,000 projected revenue x 22.5 percent for OCAP).

### FUNDING:

All funds are provided by the CHSF.

### CHANGE FROM PRIOR SUBVENTION:

The estimated revenue was based on most recent actual data.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$313	\$313
Federal	0	0
State	313	313
County	0	0
Reimbursements	0	0



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## Supportive and Therapeutic Options Program (STOP)

### DESCRIPTION:

This premise reflects costs for providing expanded “day treatment” type services to families with at-risk children and youth that cannot access services through current mental health services or other funding mechanisms. As part of the Foster Care Task Force Options, services will target a broader number of children than the current child welfare services population, as they will include children and youth at risk of placement and those exiting foster care. Funds will provide supportive and therapeutic services in order to prevent placement in out-of-home care and/or provide aftercare services to facilitate a successful transition to home or community from out-of-home care placements.

### IMPLEMENTATION DATE:

This premise implemented August 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16500.
- This program will serve 4,430 nonfederally Medi-Cal eligible children.
- The Fiscal Year (FY) 1999-00 annual cost per child for mental health services is \$2,971.
- The FY 2000-01 annual cost per child for mental health services is \$3,129

### METHODOLOGY:

The cost for this program is calculated by multiplying the number of children served (4,430) by the annual cost for mental health services (\$2,971 in FY 1999-00 and \$3,129 in FY 2000-01).

### FUNDING:

This premise is shared 70 percent state and 30 percent county.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The cost per case has increased for FY 2000-01.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$13,161	\$13,860
Federal	0	0
State	9,213	9,702
County	3,948	4,158
Reimbursements	0	0

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## Emergency Workload Relief

### DESCRIPTION:

This premise reflects the supplement of funds to child welfare services as authorized by the Budget Act of 1998 (Chapter 324, Statutes of 1998). These funds shall be expressly targeted for the protection of children from abuse and neglect and shall not be used to supplant existing child welfare services funds. There will be no county match required for these funds.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Assembly Bill 1656 (Chapter 324, Statutes of 1998).
- Funding will continue through Fiscal Year (FY) 2000-01, or until the impact of the mandated workload study is assessed.

### METHODOLOGY:

For both fiscal years, the State General Fund (GF) amount has been held at the appropriation.

### FUNDING:

For both FYs, it is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Nonfederal costs will be 100 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$68,376	\$68,376
Federal	28,376	28,376
State	40,000	40,000
County	0	0
Reimbursements	0	0

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## Group Home Monthly Visits

### DESCRIPTION:

This premise reflects the costs of providing monthly visits to all foster care children placed in group homes (GHs), both in-state and out-of-state. This premise is authorized by Senate Bill 933 (Chapter 311, Statutes of 1998).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16516.5.
- The in-state GH caseload, excluding foster family agency (FFA) placements, is projected to be 10,679 for Fiscal Year (FY) 1999-00 and 12,552 for FY 2000-01. This caseload is based on a ratio of FFA, foster family home placements and GH placements as reported on the Child Welfare Services/Case Management System Placement Report as of September 28, 1999. The out-of-state GH caseload is estimated at 690 for FY 1999-00, and 599 for FY 2000-01.
- The hourly cost of a social worker is \$60.04 for FY 1999-00, and \$62.45 for FY 2000-01.
- For the out-of-state placements, it is assumed that an average of two cases can be visited per trip.
- All GH placements will receive 10 additional visits per year.
- In-state visits will take an average of 2 hours per visit and out-of-state visits will take an average of 12 hours to visit 2 cases.
- Based on caseload data for in-state GH placements, 3,813 cases are placed out-of-county for FY 1999-00, and 4,689 for FY 2000-01. For both fiscal years, these cases have been budgeted to include an additional two hours of travel time.
- Out-of-state per diem costs are estimated at \$119 for FY 1999-00, and \$124 for FY 2000-01. Out-of-state travel costs are estimated at \$500 for both FYs 1999-00 and 2000-01.

### METHODOLOGY:

- For each fiscal year, the in-state costs for 10 visits are calculated using the in-state GH caseload for 2 hours per visit multiplied by the hourly cost of a social worker (FY 1999-00: 10 visits x 10,679 cases x 2 hours x \$60.04; FY 2000-01: 10 visits x 12,552 cases x 2 hours x \$62.45).
- For FYs 1999-00 and 2000-01, an additional two hours are calculated for the in-state out-of-county placements at the hourly cost of a social worker (FY 1999-00: 2 hours x 3,813 cases x \$60.04; FY 2000-01: 2 hours x 4,689 cases x \$62.45).
- The out-of-state costs for 10 visits are calculated using the out-of-state GH caseload divided by 2 (2 cases per visit) for 12 hours per visit multiplied by the hourly cost of a social worker (FY 1999-00: 10 visits x 345 cases x 12 hours x \$60.04; FY 2000-01: 10 visits x 300 cases x 12 hours x \$62.45).
- Per diem and travel costs are added for each visit (FY 1999-00: \$619 per diem/travel x 10 visits x 345 cases; FY 2000-01: \$624 per diem/travel x 10 visits x 300 cases).

## Group Home Monthly Visits

### FUNDING:

It is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Since this is a state mandate, nonfederal costs will be 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

For FY 2000-01, caseload, the hourly cost of a social worker and the out-of-state per diem costs have all increased.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$17,904	\$20,375
Federal	7,430	8,456
State	10,474	11,919
County	0	0
Reimbursements	0	0

## Background Checks

### DESCRIPTION:

This premise reflects the costs associated with conducting background checks prior to placing children in the homes of a relative, or the home of any prospective guardian or other person who is not a licensed or certified foster parent. The background checks are authorized by Senate Bill 645 (Chapter 949, Statutes of 1998) which requires a court or social worker to conduct both a criminal record check through the California Law Enforcement Telecommunications System (CLETS) and a Child Abuse Index check as a means of assessing the appropriateness of a placement. The bill further requires that if either the CLETS or Child Abuse Index check indicate a criminal history, then an additional fingerprint clearance check must be conducted through the Department of Justice.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 361.4.
- The caseload for Fiscal Years (FYs) 1999-00 and 2000-01 is 55,408, and 57,201, respectively, based on relative and guardian home placement data.
- It is assumed that an average of two children are placed per home and that an average of two persons in the home will require background checks.
- It is assumed that there will be no additional costs associated with the CLETS checks as there is no charge for using this system.
- The cost for the Child Abuse Index checks is estimated at \$15 per check.
- It is assumed that three percent of the caseload will require an additional criminal record fingerprint check at a cost of \$32 per check.

### METHODOLOGY:

- Since two children are placed per home and two persons will require background checks per home, costs are calculated for the entire caseload at \$15 per check (FY 1999-00: 55,408 checks x \$15 per check; FY 2000-01: 57,201 check x \$15 per check).
- In addition, costs are calculated for three percent of the caseload requiring the additional fingerprint clearance check (FY 1999-00: 1,662 checks x \$32 per check; FY 2000-01: 1,716 checks x \$32 per check).

### FUNDING:

It is assumed that federal Title IV-E and nonfederal costs will be split at 41.5 percent and 58.5 percent, respectively, after the foster care federal discount rate of 83 percent is applied. Since this is a state mandate, nonfederal costs will be 100 percent State General Fund.



## Background Checks

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 costs have increased due to caseload growth.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$884	\$913
Federal	367	379
State	517	534
County	0	0
Reimbursements	0	0

## **AFCARS Penalty**

### **DESCRIPTION:**

This premise reflects the costs associated with the Adoption and Foster Care Analysis and Reporting System (AFCARS) penalty imposed on California for failing to meet the federal reporting requirements as outlined in the Code of Federal Regulations, Title 45, Chapter XIII, section 1355.40.

### **IMPLEMENTATION DATE:**

Penalties began to be paid during State Fiscal Year (SFY) 1998-99.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Code of Federal Regulations, Title 45, Chapter XIII, section 1355.40.
- The amount of Title IV-B section 427 incentive funds available as of June 30, 1993, was \$15,842,455.
- The penalty assessed during Federal Fiscal Year (FFY) 1998 for the November 1998 report submission is \$396,061, and the penalty assessed during FFY 1999 for the May 1999 report submission is \$792,123. Both penalties will be paid during SFY 1999-00.

### **METHODOLOGY:**

AFCARS penalties assessed during FFY 1998 can total up to five percent per report period of the Title IV-B section 427 incentive funds that were available to states as of June 30, 1993. Penalties assessed during FFY 1999 can total up to ten percent. The State is only being assessed half the penalty as the adoption data requirement is being met and the foster care data requirement is not. Penalties will be assessed semi-annually against each state's Title IV-E administrative cost reimbursement.

### **FUNDING:**

The federal Title IV-E offset is funded with 100 percent State General Fund.

### **CHANGE FROM PRIOR SUBVENTION:**

The penalty assessed for the November 1998 report submission has been reduced to \$396,061 as a result of corrective action submitted by the State. An additional penalty of \$792,123 has been incurred for the May 1999 report submission.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

Penalties have not yet been assessed for SFY 2000-01.

## AFCARS Penalty

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$0
Federal	-1,188	0
State	1,188	0
County	0	0
Reimbursements	0	0

## Health Services for Children in Foster Care

### DESCRIPTION:

This premise reflects the costs to fund positions for public health care nurses (PHNs) in the county welfare departments. These nurses will provide enhanced health services to children entering foster care. As authorized by Assembly Bill 1111 (Chapter 147, Statutes of 1999), this program will improve the physical, mental, dental and developmental well being of children in the child welfare system. The PHNs funded through this program shall work closely with the child's caseworker or probation officer to coordinate health care services and serve as a liaison with health care professionals and other providers of health related services.

### IMPLEMENTATION DATE:

This premise implements January 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.3.
- Fiscal Year (FY) 1999-00 assumes only a half-year funding. FY 2000-01 includes a full-year implementation.
- The new foster care caseload per PHN is based on a 1:200 ratio.
- New foster care caseload, based on actual data from FY 1998-1999, is 48,242.
- Actual new foster care caseload was updated to reflect a 1.6 percent increase for FY 1999-00, and 2.2 percent increase for FY 2000-01.
- Unit cost for a PHN is \$80,000 in FY 1999-00, and \$89,000 in FY 2000-01.

### METHODOLOGY:

- For FY 1999-00, the total new foster care caseload was divided by the ratio of PHN to calculate the number of PHN's needed ( $49,593 \div 200$ ). To determine the total cost of the program, the number of PHNs needed was multiplied by the unit cost of a PHN ( $248 \times \$80,000$ ). This total was divided by two to reflect a half-year implementation ( $\$19,840 \div 2$ ).
- For FY 2000-01, the new foster care caseload is based on FY 1998-99 actuals and then was updated for the projected increases for FY 1999-00, and FY 2000-01 (1.6 and 2.2, respectively). The updated caseload was then divided by the number of PHNs per case ( $50,092 \div 200$ ) and multiplied by the unit cost of a PHN to determine the total cost of the program ( $250 \times \$89,000$ ).

### FUNDING:

This program is eligible for enhanced Federal Title XIX funding of 75 percent with a match of 25 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This premise was added as the result of Legislative Conference Actions.

## Health Services for Children in Foster Care

### REASON FOR YEAR-TO-YEAR CHANGE:

Changes in FY 2000-01 reflect a full year of funding. In addition, the Federal Title XIX reimbursement will be reflected in the State Department of Health Services' budget in FY 2000-01.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$9,920	\$5,573
Federal	0	0
State	2,480	5,573
County	0	0
Reimbursements	7,440	0

## Best Practices Evaluation

### DESCRIPTION:

This premise reflects the funding to contract for an independent evaluation of the legislatively mandated Best Practices Child and Family Assessment pilot project. As authorized by Senate Bill 933 (Chapter 311, Statutes of 1998), the Best Practices pilot project must be independently evaluated on the effectiveness of the assessment protocol or instrument. This protocol shall identify the strengths and needs of the child to be met by the placement agency, the methods for monitoring and the delivery of services by the placement agencies. The six pilot counties that will be participating in this program are Humboldt, Marin, Merced, Santa Barbara, San Luis Obispo and Santa Clara.

### IMPLEMENTATION DATE:

This premise will be implemented on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.2.
- The total cost of the evaluation will be spread over the span of three fiscal years.

### METHODOLOGY:

Funds will be used to contract an independent evaluator.

### FUNDING:

This premise is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$100
Federal	0	0
State	0	100
County	0	0
Reimbursements	0	0

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## Adoptions Program – Basic Costs

### DESCRIPTION:

This premise reflects costs associated with agency (relinquishment) adoptions for 31 counties. Although only 28 counties provide adoptive services, these costs include funding for independent adoptions and services in three adjacent counties. Relinquishment and agency adoption include:

1. Agency (Relinquishment) Adoptions: Placements through a licensed adoption agency in which a child to be adopted has been relinquished by his or her natural parents or in which, due to abuse or neglect, parental rights have been terminated by court action; and
2. Independent Adoptions: Placements in which the parents place a child directly with an adopting family or persons of their choice.

State department staff perform the balance of adoption services in the remaining counties.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100-16106.
- Fiscal Year 2000-01 basic adoption services costs are maintained at the 1995-96 Appropriation level.

### FUNDING:

Funds are based on the 1980 adoptions yardstick, a workload measurement standard. Since that time there has been a State General Fund (GF) cost-of-living adjustment (COLA) recognized in 1984-85, a federal COLA pass-through recognized in 1987-88, and a caseload adjustment in 1990-91. The agency adoptions component is subdivided into federal and nonfederal activities based on the nonfederal Adoption Assistance Program ratio. For federally eligible activities, funding is 50 percent federal Title IV-E, and 50 percent GF. The nonfederal share is 100 percent GF. The composite funding ratios are 32 percent federal IV-E funds and 68 percent GF. Independent adoptions are 100 percent GF. The offset for collected fees is credited 100 percent to the GF. Collection of adoption fees is not a federal mandate.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$27,625	\$27,625
Federal	8,722	8,722
State	18,903	18,903
County	0	0
Reimbursements	0	0



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## Private Agency Adoption Reimbursement Payments

### DESCRIPTION:

This premise reflects the costs of providing private agency adoption reimbursement payments (PAARPs) to private adoption agencies for expenditures associated with adoptive placements of special needs children. Assembly Bill (AB) 1524 (Chapter 1083, Statutes of 1996) established a \$3,500 compensatory limit per placement of special needs children. AB 1225 (Chapter 905, Statutes of 1999) increased the compensatory limit per placement to \$5,000 per adoptive placement of a special needs child.

Once the child is placed, a claim is submitted to the Department for an individual child by the private adoption agency. Departmental program staff check the claim, verify federal eligibility, and forward the claim(s) to the Office of the State Controller for direct issuance of a reimbursement payment to the private adoption agency. Fiscal control is maintained by departmental program staff.

### IMPLEMENTATION DATE:

This premise was originally implemented on July 1, 1992.

The AB 1225 reimbursement payment increase went into effect on July 1, 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16120-16122.
- Projected caseload increase and cost per placement (reimbursement) averages were based on actual data from the past five years.
- Prior to the passage of AB 1225, the statewide average reimbursement payment for Fiscal Years (FYs) 1999-00 and 2000-01 is \$3,151 per claim.
- The impact of AB 1225 is estimated to increase the statewide average reimbursement payment to approximately \$4,501 per claim in FYs 1999-00 and 2000-01.

### METHODOLOGY:

#### FY 1999-00

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (528 placements x \$3,151 reimbursement per placement).

To determine the impact of AB 1225, the projected number of private agency adoptive placements was multiplied by the revised average reimbursement cost per placement, and then the PAARP basic costs were subtracted from this amount ((528 placements x \$4,501 reimbursement per placement) – \$1,663,000).

#### FY 2000-01

To determine the PAARP basic cost, the projected number of private agency adoptive placements was multiplied by the average reimbursement cost per placement (580 placements x \$3,151 reimbursement per placement).

To determine the impact of AB 1225, the projected number of private agency adoptive placements was multiplied by the revised average reimbursement cost per placement, and then the PAARP basic costs were subtracted from this amount ((580 placements x \$4,501 reimbursement per placement) – \$1,828,000).

## Private Agency Adoption Reimbursement Payments

### FUNDING:

The funding ratio was based on a five-year average of actual claiming experience from FYs 1994-95 through 1998-99. The federal share of cost is 35 percent, and the State share of cost is 65 percent.

### CHANGE FROM PRIOR SUBVENTION:

The current year increase in this program is due to updated caseload and expenditure information as well as the AB 1225 increase in the compensatory limit.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2000-01 is a result of a 9.8 percent increase in caseload.

### EXPENDITURES:

(in 000's)

<b>Combined Total:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$2,376	\$2,611
Federal	831	914
State	1,545	1,697
County	0	0
Reimbursement	0	0

<b>PAARP Basic:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,663	\$1,828
Federal	582	640
State	1,081	1,188
County	0	0
Reimbursement	0	0

<b>AB 1225 Impact:</b>	1999-00	2000-01
	County Admin.	County Admin.
Total	\$713	\$783
Federal	249	274
State	464	509
County	0	0
Reimbursement	0	0

## Foster and Adoptive Home Recruitment

### DESCRIPTION:

This premise reflects the costs associated with utilizing the services of local community organizations to increase the pool of minority adoptive families in order to place more minority children. The program is administered via contracts between the Department and private providers; counties are not directly involved. The Department funds approximately 20 projects through this item.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1982.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Multiethnic Placement Act.
- The Foster and Adoptive Home Recruitment Program will continue to fund approximately 20 projects.

### METHODOLOGY:

The estimate for FYs 1999-00 and 2000-01 is developed using projected and actual executed contracts.

### FUNDING:

For FY 1999-00, costs are funded with 41.5 percent federal Title IV-E funds and 58.5 percent State General Fund after the foster care federal discount rate is applied.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$778	\$778
Federal	323	323
State	455	455
County	0	0
Reimbursements	0	0

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## Adoptions Program County Counsel Costs

### DESCRIPTION:

This premise reflects the costs of parental rights termination proceedings for those counties that do not provide their own adoption services. For these counties, Senate Bill 243 (Chapter 1485, Statutes of 1987) transferred the function of terminating parental rights for court dependents from the State Attorney General's Office to the county counsels, effective January 1, 1990.

Cost elements of the parental rights termination function are primarily attorney and paralegal costs; however, they also include minor costs such as publication of notices, process server fees, court reporter fees, sheriff fees, and expert witness fees.

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code sections 16100-16106.
- For Fiscal Year (FY) 1999-00, the average cost for legally freeing a child for adoption was \$2,581, and the number of children legally freed for adoption was 311.
- The cost-of-doing-business (CODB) increase is 3.93 percent.

### METHODOLOGY:

The budget year estimate was calculated using data projected for FY 1999-00. The average cost per case was derived by dividing the total number of actual cases by the actual expenditures (\$2,581 average cost per case). The average cost per case was then multiplied by the CODB and the projected number of children to be legally freed for adoption (\$2,581 cost per case x 1.0393 CODB x 459 children).

The FY 1999-00 funding level was held at the appropriation level.

### FUNDING:

Using the foster care federal discount rate of 83 percent, the federal Title IV-E and nonfederal costs are split at 41.5 percent and 58.5 percent, respectively. All nonfederal costs are 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to an increase in the cost per case (\$2,047 in FY 1999-00; \$2,581 in FY 2000-01) and an increase in the number of children legally freed for adoption (311 in FY 1999-00; 459 in FY 2000-01).

## Adoptions Program County Counsel Costs

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$727	\$1,233
Federal	302	512
State	425	721
County	0	0
Reimbursements	0	0

## Nonrecurring Adoption Expenses

### DESCRIPTION:

This premise reflects the costs for the reimbursement to families for nonrecurring adoption expenses associated with adopting special needs children. These costs may include, but are not limited to, legal fees, court filing fees, special medical examinations, and psychological evaluations. Only families adopting special needs children are eligible for reimbursement of these one-time costs.

The California maximum reimbursement amount is \$400 with 50 percent federal sharing. This cap was made permanent by Assembly Bill 2129 (Chapter 1089, Statutes of 1993).

### IMPLEMENTATION DATE:

This premise implemented on January 1, 1990.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16120.1.
- The maximum reimbursement that can be applied to each case is \$400.
- Approximately 68 percent of adoptive children can be classified as special needs children.

### METHODOLOGY:

#### Fiscal Year (FY) 1999-00

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (5,710 adoptions x 68 percent). This number was then multiplied by the five-year average percentage of claims, and then multiplied by the maximum reimbursement amount (3,883 eligible cases x 44.86 average percentage of claims x \$400).

#### FY 2000-01

The estimate was developed by multiplying the projected number of adoptions by the percentage that would qualify as special needs cases (6,283 adoptions x 68 percent). This number was then multiplied by the five-year average percentage of claims, and then multiplied by the maximum reimbursement amount (4,272 eligible cases x 44.86 average percentage of claims x \$400).

### FUNDING:

The funding for these reimbursements is shared between federal and state at 50 percent each. There is no county share.

### CHANGE FROM PRIOR SUBVENTION:

The current year estimate was reduced due to a decrease in the number of nonrecurring adoption claims in FY 1998-99.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year is due to an increase in the number of special needs cases.



## Nonrecurring Adoption Expenses

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$696	\$766
Federal	348	383
State	348	383
County	0	0
Reimbursements	0	0

## **Specialized Training for Adoptive Parents (STAP)**

### **DESCRIPTION:**

This premise reflects the costs associated with implementing Assembly Bill (AB) 2198 (Chapter 1014, Statutes of 1998) which provides special training and services to facilitate the adoption of children who are HIV positive or who have a condition of symptoms resulting from substance abuse by the mother. Specifically, this funding will provide recruitment, special training and respite care to families adopting court dependent children who are either HIV positive or assessed as being prenatally exposed to alcohol or a controlled substance. This program is similar to the Child Welfare Services Program's Substance Abuse/HIV Infant Program (Options for Recovery) authorized by AB 67 (Chapter 606, Statutes of 1997).

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 16135 through 16135.30.
- This program is available to any county requesting participation pursuant to established procedures and to the extent funds are available.
- The foster care federal discount rate is 83 percent for the current year (CY) and budget year (BY).

### **METHODOLOGY:**

AB 2198 appropriated \$1,000,000 in State General Fund (GF) for the implementation of this program in Fiscal Year (FY) 1998-99. The unexpended balance from FY 1998-99 was reappropriated to the CY. In FY 2000-01, this program will be fully funded with \$1,000,000 in GF.

### **FUNDING:**

Recruitment activities are funded with 41.50 percent federal funds, 40.95 percent GF, and 17.55 percent county funds, after the federal discount rate of 83 percent is applied.

The training component is funded with 62.25 percent federal funds, 26.43 percent GF, and 11.32 percent county funds, after the federal discount rate of 83 percent is applied.

Respite care is funded with 70 percent GF and 30 percent county funds.

### **CHANGE FROM PRIOR SUBVENTION:**

The unexpended balance from FY 1998-99 was reappropriated to FY 1999-00.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

In FY 2000-01, the program will be fully-funded.

## Specialized Training for Adoptive Parents (STAP)

### EXPENDITURES:

(in 000's)

STAP Program:	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$1,964
Federal	0	542
State	0	1,000
County	0	422
Reimbursements	0	0

Reappropriation: <sup>1</sup>	1999-00
	County Admin.
Total	\$1,964
Federal	542
State	1,000
County	422
Reimbursements	0

<sup>1</sup> – The reappropriation amounts are non-add items in FY 1999-00.

## Federal Adoption Opportunity Grants

### DESCRIPTION:

This premise reflects the amount of the federal Adoption Opportunity Grants (AOGs) the State was awarded for Fiscal Years 1998-99 through 2000-01. There were two grants awarded to the State under federal Priority Area 98.3, Achieving Increased Placements of Children in Foster Care.

The first grant will be used to strengthen and institutionalize a pilot program developed by Sierra Adoption Services in partnership with Sacramento County. This program eliminates a principal barrier to the adoption of special needs minority children by identifying and developing permanent families for long-term foster children who have been labeled inappropriately as unadoptable. A majority of these children are ethnic minority children, who are over-represented in the foster care system. The activities funded by the grant will be provided by Sierra Adoption Services in collaboration with Sacramento County. Sacramento County will supervise the grant on the State's behalf.

The second grant will be used to develop, implement and promote a project to recruit and retain concurrent planning families. The activities funded by the grant will be provided by a licensed private adoption agency in collaboration with Contra Costa County. Contra Costa County will supervise the grant on behalf of the State.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Public Law 104-235, Title II of the Child Abuse Prevention and Treatment Act.
- The grants have been approved through June 30, 2001.

### FUNDING:

The total grant funding is \$900,000 (\$150,000 per AOG per fiscal year). The funding is 90 percent federal share with a 10 percent county match.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Federal Adoption Opportunity Grants

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$334	\$334
Federal	300	300
State	0	0
County	34	34
Reimbursements	0	0

## Federal Incentive Funds for Post-Adoptive Services

### DESCRIPTION:

This premise reflects the amount of federal funding that the State is eligible to receive as a result of Public Law (P.L.) 105-89, the Adoptions and Safe Families Act of 1997. This program was designed to reward states with incentive funds for increasing their finalized adoptions in the federal fiscal year. The amount of the incentive is determined by the Adoption and Foster Care Analysis and Reporting System (AFCARS). AFCARS data are submitted to the federal government twice a year, on November 14, and May 15.

The federal incentive money is capped at \$20.0 million for the states cumulatively for each fiscal year, with the states' base number of adoptions being updated each year. California will have one federal fiscal year to expend the incentive money it receives.

Assembly Bill 2773 (Chapter 1056, Statutes of 1998) states that any incentive payments received through implementation of the federal act be reinvested into the child welfare system in order to provide increased post-adoption social services, as needed, to families who have adopted children from the public foster care system.

### IMPLEMENTATION DATE:

This premise implemented in August of 1999.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Adoptions and Safe Families Act of 1997 (P.L. 105-89)
- For Fiscal Year (FY) 1999-00, the total finalized adoptions baseline for the State is 3,287. For FY 2000-01, the baseline number was adjusted to 3,958 finalizations.
- The State is projecting that the total finalized adoptions for Federal Fiscal Year (FFY) 1998-99 is 4,602.
- Each additional foster child adoption qualifies for an incentive payment of \$4,000.
- If the child is a special needs child (Title IV-E eligible), the adoption qualifies for an additional incentive payment of \$2,000.
- Approximately 75 percent of the finalized adoptions are of children who are Title IV-E eligible.

### METHODOLOGY:

The estimate was developed by multiplying the total number of finalized adoptions over the baseline by the base incentive payment  $[(4,602-3,958) \times \$4,000]$ . The number of additional adoptions was then multiplied by the percentage of special needs children and then multiplied by the additional incentive payment  $(644 \text{ adoptions} \times 0.75 \text{ special needs children} \times \$2,000)$ .

### FUNDING:

The incentives are 100 percent federal funds.

## Federal Incentive Funds for Post-Adoptive Services

### CHANGE FROM PRIOR SUBVENTION:

The Department received a grant award letter in the amount of \$1,922,897, for the qualifying finalizations in FFY 1998-99.

### REASON FOR YEAR-TO-YEAR CHANGE:

In FFY 1998-99, the State did not qualify for any incentives during the November reporting period, and therefore, only received approximately one-half of the incentive funds for which it was eligible. For FFY 1999-00, the State is projecting to qualify for both reporting periods.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$1,923	\$3,542
Federal	1,923	3,542
State	0	0
County	0	0
Reimbursements	0	0

## County Third Party Contracts

### DESCRIPTION:

This premise reflects the costs associated with the Child Abuse Prevention, Intervention, and Treatment (CAPIT) Program. Assembly Bill 1733 (Chapter 1398, Statutes of 1982) established CAPIT to fund prevention and intervention services for children at risk of abuse and/or neglect. Contracts with community-based public and private agencies utilize CAPIT funds to provide services to high-risk children and their families, as well as training and technical assistance to funded agencies. The program includes a contract component, which funds innovative, child-centered approaches geared towards the prevention of child abuse and neglect.

### KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code sections 18960-18965.

### METHODOLOGY:

For Fiscal Years (FYs) 1999-00 and 2000-01, the CAPIT funding is being held at the appropriation level of \$14,840,000. This funding is divided amongst county allocations, training and technical assistance, innovative services, and state support as follows:

- County Allocations: Counties are allocated a total of \$13,356,000. Small counties receive a preset minimum funding level, and the remaining distribution utilizes a formula that considers a county's share of children under the age of 18, children receiving public assistance, and child abuse reports.
- Innovative Services: There is \$1,038,800 appropriated for innovative services contracts. A competitive bid process determines the grantees of innovative services contracts.
- Training and Technical Assistance/State Support: This funding amount is \$445,200 (three percent of the total CAPIT funding) to ensure that the programs effectively serve high-risk children and their families, to provide for regional training on various child abuse issues and periodic statewide conferences, and to provide state support for the program(s). This amount is not included in the local assistance budget.

### FUNDING:

CAPIT funding is 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.



## County Third Party Contracts

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$14,395	\$14,395
Federal	0	0
State	14,395	14,395
County	0	0
Reimbursements	0	0

## Federal Grants

### DESCRIPTION:

This premise reflects the costs associated in assisting local and private agencies in the development and strengthening of child abuse and neglect prevention and treatment programs. Federal grants under this provision include the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grant is now comprised of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Family Resource and Support (CBFRS) grant.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.

### METHODOLOGY:

The total reflects the following federal grants:	1999-00	2000-01
• CAPTA Title I Grants	\$4,399,042	\$3,820,168
• CAPTA Title II – CBFRS	\$3,136,895	\$2,965,176

### FUNDING:

Funding for these projects is 100 percent federal grant funds.

### CHANGE FROM PRIOR SUBVENTION:

Funding reflects an increase in current year expenditures, and an anticipated decrease in expenditures of federal grant awards in the budget year.

### REASON FOR YEAR-TO-YEAR CHANGE:

The change is due to a decrease in the proposed expenditures and in the projected grant amount anticipated for the budget year.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$7,536	\$6,785
Federal	7,536	6,785
State	0	0
County	0	0
Reimbursements	0	0

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## State Children's Trust Fund Program

### DESCRIPTION:

This premise reflects the revenue available for the State Children's Trust Fund (SCTF) Program in California. The SCTF provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from birth certificate surcharges, state income tax designations, and private donations. Project funding is awarded through proposals submitted to the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969.
- The Office of the State Controller accounts for deposits to the SCTF and advises the Department as to the availability of funds.

### METHODOLOGY:

This premise reflects the current funding information available for the SCTF, as provided by the OCAP.

### FUNDING:

SCTF revenue results from fees for birth certificates, grants, state income tax designations, and private donations. The General Funds in the STCF are continuously appropriated without regard to fiscal years, and may be used for research, evaluation, dissemination of information to the public, the establishment of public-private partnerships with foundations and corporations, increase public awareness about child abuse and neglect via media campaigns, and to seek continued contributions to the SCTF.

OCAP plans to continue funding new and existing programs in the current and budget year which include Mobile Family Resource Centers (MFRC), the California Safe and Healthy Families (CalSAHF) Program, the Answers Benefiting Children (ABC) initiative, and Americorp.

### CHANGE FROM PRIOR SUBVENTION:

Expenditures have been updated with the most recent data from OCAP.

### REASON FOR YEAR-TO-YEAR CHANGE:

The increased funding is due to increased funding for the ABC initiative and MFRCs and for the implementation of the new Americorp program.

## State Children's Trust Fund Program

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total <sup>1</sup>	\$2,685	\$3,500
Federal	0	0
State	2,685	3,500
County	0	0
Reimbursements	0	0

<sup>1</sup> - Non-add item

## Juvenile Crime Prevention Program

### DESCRIPTION:

This premise reflects the costs associated with the Juvenile Crime Prevention (JCP) Program. The JCP Program is a comprehensive juvenile delinquency prevention program designed specifically for at-risk youth and their families. Twelve pilot sites that exhibited high rates of juvenile arrest, reported child abuse, out-of-home placement, teen pregnancy, and other selected criteria administer the projects through neighborhood resource centers. The program consists of the following:

- Family Resource Center - provides family support services directly, acts as an information and referral agency, monitors, and evaluates funding proposals;
- Mother and Sons Program - provides support and skills to single mothers of teenage sons to promote positive behaviors and prevent high-risk behavior such as school dropout and gang involvement;
- First Offender Family Preservation Program - provides early intervention services to halt the career of juvenile offenders. The program incorporates a focus on delinquency prevention into the existing Family Preservation Program model, which employs intense levels of comprehensive family support services to prevent disruption and improve family functioning;
- Families and Schools Together - provides elementary school-based parent training and support services to prevent failure, delinquency, and substance abuse; and
- After School Education and Recreation Services - provides supervised recreational activities, field trips, educational components (e.g., tutoring, career development), and community service projects.

### IMPLEMENTATION DATE:

This premise was implemented on January 1, 1996.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Budget Act of 1994.

### METHODOLOGY:

This premise reflects full-year funding for this program, as appropriated by the Legislature.

### FUNDING:

JCP Program costs are 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Juvenile Crime Prevention Program

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	Grant	Grant
Total	\$9,650	\$9,650
Federal	0	0
State	9,650	9,650
County	0	0
Reimbursements	0	0

## Special Programs – Special Circumstances

### DESCRIPTION:

This premise reflects the cost of providing grants to recipients of Supplemental Security Income/State Supplemental Payment (SSI/SSP) Program, In-Home Supportive Services, or Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants who have financial needs due to an emergency or special circumstance. The special circumstance grant is for those recipients who have a need for certain goods and services due to an individual situation, which is not common to all recipients and is not a re-occurring event. The Special Circumstances Program was funded by the 1998 Budget Act (Chapter 324, Statutes of 1998).

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12500 through 12601.
- The 1998 Budget Act provided \$8,300,000 for the Special Circumstances Program (\$5,000,000 for grants and \$3,300,000 for administration costs).
- Funding for Fiscal Year (FY) 2000-01 will be the same as in FY 1999-00.

### METHODOLOGY:

Funding is based on the amount budgeted in the 1998 Budget Act.

### FUNDING:

This program is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant/ Administration	Grant/ Administration
Total	\$8,300	\$8,300
Federal	0	0
State	8,300	8,300
County	0	0
Reimbursements	0	0



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## Special Programs – Other Specialized Services

### DESCRIPTION:

The Specialized Services item includes costs for Foster Care Burial, Repatriated Americans, and Assistance Dog Special Allowance Programs.

Foster care burial costs are reimbursements by the State that are provided to foster parents for the costs of a burial plot and funeral expenses, up to \$5,000 per burial, for a child receiving foster care at the time of death.

The Repatriated Americans Program provides temporary help to needy United States citizens returning from foreign countries because of destitution, physical or mental illness, or war.

The Assistance Dog Special Allowance Program provides \$50 per month to Supplemental Security Income/State Supplementary Payment Program recipients who have guide, signal, or service dogs. This allowance is to be used for food and other costs associated with the dogs' care and maintenance.

### KEY DATA/ASSUMPTIONS:

#### Foster Care Burial

- Authorizing statute: Welfare and Institutions Code (W&IC) section 11212.
- The funding estimate was maintained at the November 1998 Subvention level of \$175,000.

#### Assistance Dog Special Allowance

- Authorizing statute: W&IC section 12553.
- The monthly cost per case is \$50.
- Caseload growth is estimated at 4.84 percent for Fiscal Years (FYs) 1999-00 and 2000-01.
- The FY 1998-99 average monthly caseload was 6,887.

### METHODOLOGY:

#### Foster Care Burial

The Foster Care Burial Program was maintained at \$175,000.

#### Repatriated Americans

The estimate of \$75,000 for FYs 1999-00 and 2000-01 has been maintained at the FY 1997-98 level.

#### Assistance Dog Special Allowance

The FY 1998-99 caseload was increased for growth and multiplied by the monthly cost per case.

## Special Programs – Other Specialized Services

### FUNDING:

The Foster Care Burial and the Assistance Dog Special Allowance Programs are funded with 100 percent State General Funds. The Repatriated Americans Program is 100 percent federally funded through a special Department of Health and Human Services grant.

### CHANGE FROM PRIOR SUBVENTION:

The Assistance Dog Special Allowance was reduced for decreasing growth estimates.

### REASON FOR YEAR-TO-YEAR CHANGE:

In the budget year, the caseload for the Assistance Dog Special Allowance Program increases.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$611	\$629
Federal	75	75
State	536	554
County	0	0
Reimbursements	0	0

## **Eligibility Extension of Dog Food Allowance (SB 858)**

### **DESCRIPTION:**

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance (SSDI) who have incomes at or below the federal poverty level. Existing law provides that recipients of the federal Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program who have guide, signal, or service dogs, are eligible for a monthly dog food allowance of \$50 per month. This extension of eligibility is authorized by Senate Bill 858 (Chapter 906, Statutes of 1999).

### **IMPLEMENTATION DATE:**

This premise implements on January 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 12554.
- The current dog food allowance for SSI/SSP recipients is \$50 per month.
- The SSDI recipients will receive a monthly dog food allowance of \$35.
- There are an estimated 198,540 disabled workers in California.
- The national percentage of disabled workers using assistance dogs is approximately 0.3 percent ( $198,540 \times 0.003 = 596$  cases in California).
- Approximately 15.3 percent of disabled workers using assistance dogs receive SSI/SSP payments. The remaining 84.7 percent are SSDI recipients.

### **METHODOLOGY:**

- The number of disabled workers who could potentially apply for the SSDI dog allowance is calculated by multiplying the number of disabled workers using assistance dogs in California by 84.7 percent ( $596 \times 0.847 = 505$  cases).
- The monthly cost is estimated by multiplying the number of SSDI cases by the monthly allowance of \$35 ( $505 \times \$35 = \$17,675$ ). The annual cost is estimated at \$212,100.

### **FUNDING:**

This program is funded with 100 percent State General Fund.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

The eligibility extension becomes effective January 1, 2000, and has a six-month effect in current year. The budget year reflects a full-year impact.

## Eligibility Extension of Dog Food Allowance (SB 858)

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$106	\$212
Federal	0	0
State	106	212
County	0	0
Reimbursements	0	0

## Access Assistance/Deaf

### DESCRIPTION:

This premise reflects the costs associated with Office of Deaf Access, Access Assistance/Deaf Program. Assembly Bill 2980 (Chapter 1193, Statutes of 1980) established the Access Assistance/Deaf Program in 1980. The Deaf Access Program serves approximately 2.2 million deaf and hearing-impaired Californians through regional contractors. Services include employment services, counseling, interpreting services, and education on deafness and advocacy. Assistance under this program enables deaf and hearing impaired persons access to needed social and community services. Currently, eight regional contractors provide services to the hearing impaired in all 58 counties.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- The program funding of \$3,304,000 was augmented by \$2,500,000 in Fiscal Year 1998-99 for program expansion.
- The program is funded with \$3,200,000 Title XX funds.

### METHODOLOGY:

The funding level is maintained at the level established in the 1998-99 Budget Act.

### FUNDING:

This program is funded with State General Fund (GF). Title XX block grant funds allocated to the program reduces the amount of GF in the program.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$5,804	\$5,804
Federal	3,200	3,200
State	2,604	2,604
County	0	0
Reimbursements	0	0

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## Maternity Care

### DESCRIPTION:

This premise reflects the costs associated with the Licensed Maternity Home Care Program. The Licensed Maternity Home Care Program was established in 1977 by Assembly Bill (AB) 1069 (Chapter 1190, Statutes of 1977) and amended by AB 3805 (Chapter 1636, Statutes of 1990). It provides residential care, counseling and maternity-related services to pregnant, unwed residents of the State who are under 18 years of age at the time of admission. Currently, the Department contracts with four private, nonprofit agencies for services, with one each in Los Angeles (Saint Ann's Maternity Home), Modesto (Bethany Christian Services), San Francisco (Florence Crittenton) and Santa Ana (Mary's Shelter).

### METHODOLOGY:

The funding is maintained at the appropriated level of \$600,000.

### FUNDING:

This program is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$600	\$600
Federal	0	0
State	600	600
County	0	0
Reimbursements	0	0



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## Refugee Programs – Refugee Employment Social Services

### DESCRIPTION:

Refugee employment social services are provided to refugees through county welfare departments and contracting agencies. The services are provided through an annual block grant allocation by the Office of Refugee Resettlement. The funds are used to provide employment-related services, such as employability assessment, on-the-job training, English language training, and vocational training.

### METHODOLOGY:

Funding is based on federal award.

### FUNDING:

This program is 100 percent federally funded.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$15,000	\$15,000
Federal	15,000	15,000
State	0	0
County	0	0
Reimbursements	0	0

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## Refugee Programs – Targeted Assistance

### DESCRIPTION:

This program provides services to refugees to enable them to be placed in employment or to receive employment training. The goal of this program is to assist refugees in becoming self-sufficient. Targeted assistance (TA) grants are made available to high refugee-impacted counties. Program components include Employment Services, Work Experience, Vocational Training, Vocational English-as-a-Second-Language, On the Job Training, Economic Development, Skills Upgrading, and Extreme and Unusual Needs.

In addition to regular TA funds, the federal government awards TA discretionary funds to the State for specific local projects. Local agencies develop project proposals in response to a federal announcement. The federal government selects the projects to be funded.

### IMPLEMENTATION DATE:

This premise implemented on October 1, 1983.

### METHODOLOGY:

Funding is based on federal award.

### FUNDING:

This program is 100 percent federally funded.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$15,000	\$15,000
Federal	15,000	15,000
State	0	0
County	0	0
Reimbursements	0	0

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## County Services Block Grant – Basic Costs

### DESCRIPTION:

This premise reflects the level of county services block grant (CSBG) funding provided to the counties. Funding for the county welfare departments' administrative costs for these programs has been block-granted since the 1984-85 Budget Act. The programs funded under the CSBG include Information and Referral, Adult Protective Services (APS), Adult Out-of-Home Care, Staff Development and Optional Services.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13004 through 13007.
- The Fiscal Year (FY) 1983-84 General Fund block grant amount of \$15.3 million was augmented by three percent in FY 1984-85.
- The FY 1984-85 General Fund block grant amount of \$15.8 million was augmented by four percent in FY 1985-86.
- Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.
- Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.
- The non-health-related costs and activities performed for non-Medi-Cal eligible recipients are not eligible for Title XIX reimbursement.
- The Title XIX reimbursement amount is based on actual expenditure information.
- The county dollar amounts displayed reflect the CSBG expenditure level for FY 1996-97 of \$10,936,000. Senate Bill 2199 required the counties to maintain their FY 1996-97 level of APS expenditures, however, due to the inability to separately identify APS expenditures, counties were held to their FY 1996-97 CSBG expenditures.
- The General Fund is block granted at \$16,401,000.
- The Title XIX reimbursement is estimated at 35.07 percent of total expenditures.

### METHODOLOGY:

To estimate total costs, the General Fund block grant, FY 1996-97 CSBG expenditures, and Title XIX reimbursements are added (\$16,401,000 + \$10,936,000 + \$14,762,000=\$42,099,000)

### FUNDING:

The General Fund is block granted at \$16.4 million with county participation at the maintenance of effort level. Title XIX funds are drawn down in accordance with Title XIX rules as provided above.

### CHANGE FROM PRIOR SUBVENTION:

This estimate was updated to reflect the current Title XIX eligible expenditure percentage amount.

## County Services Block Grant – Basic Costs

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)	1999-00	2000-01
	County Admin.	County Admin.
Total	\$42,099	\$42,099
Federal	0	0
State	16,401	16,401
County	10,936	10,936
Reimbursements	14,762	14,762

## **Adult Protective Services Total Augmentation**

### **DESCRIPTION:**

This premise reflects the expenditures associated with the provision of adult protective services (APS). Senate Bill (SB) 2199 (Chapter 946, Statutes of 1998) broadened the scope of the APS Program and held the county share of APS expenditures at the Fiscal Year (FY) 1996-97 level for the county services block grant (CSBG). The APS Program has been funded under CSBG since the 1984 Budget Act. The APS Program is administered by the county welfare departments to provide assistance to elderly and dependent adults who are functionally impaired, unable to meet their own needs, and who are victims of abuse, neglect or exploitation.

The enhanced APS Program, as defined in SB 2199, requires the counties to respond to reports of elder and dependant abuse on a 24-hour emergency response basis. Among the services required by SB 2199 are investigations, needs assessments, remedial and preventive social work activities. SB 2199 also provides for necessary tangible resources such as food, emergency shelter care, in-home shelter care, transportation assistance, and the use of multidisciplinary teams.

### **IMPLEMENTATION DATE:**

- This premise implemented on July 1, 1997.
- The enhanced services portion of SB 2199 became effective May 1, 1999.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code sections 15703 through 15705.40.
- This program received a \$20 million General Fund augmentation in the 1998 Budget Act to provide counties with additional resources needed to respond to more APS cases. An additional \$25.3 million General Fund augmentation was provided for in the 1999 Budget Act.
- Activities performed by skilled professional medical personnel or related staff are eligible for Title XIX reimbursement at an enhanced rate of 75 percent.
- Health-related activities provided to Medi-Cal eligible recipients are eligible for Title XIX reimbursement at 50 percent.
- This estimate uses the APS average federal Title XIX reimbursement rate of 31 percent, based on the actual federal reimbursement percentage claimed on the County Administrative Expense Claim.
- The counties are assumed to have no share of the APS costs effective FY 1998-99. SB 2199 holds county costs to the FY 1996-97 CSBG expenditure level.

### **METHODOLOGY:**

Current and budget years reflect the general fund augmentation of \$45.3 million. The Title XIX reimbursement was estimated at 31 percent.

### **FUNDING:**

The program is funded through both Title XIX and the State General Fund.



## Adult Protective Services Total Augmentation

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	1999-00
	County Admin.	County Admin.
Total	\$65,652	\$65,652
Federal	0	0
State	45,300	45,300
County	0	0
Reimbursements	20,352	20,352

## Enterprise Community Grants

### DESCRIPTION:

This premise reflects the extension of the State's funding authority of unused federal Title XX funds allocated for Enterprise Community grants. As current expenditure authority expires on June 30, 2000, this premise would allow the designated cities to access those funds past that date.

Enterprise Community grants totaling \$17,684,208 in Title XX funds were added to the County Services Block Grant budget in Fiscal Year (FY) 1995-96. The purpose of the grants is to empower people and communities to create jobs as part of a federal, state, local, and private sector partnership. The grants are used by designated communities to achieve one of three broad goals:

1. Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency; and,
3. Preventing or remedying the neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families.

### IMPLEMENTATION DATE:

This premise will become effective July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- The grants are divided into urban and rural grants. Urban grants of \$2,947,368 were awarded to the cities of Los Angeles, Oakland, San Diego, and San Francisco. Rural grants of \$2,947,368 were awarded to El Centro and Watsonville.
- Actual expenditures through FY 1998-99 are \$10,583,721, resulting in unexpended funds of \$7,100,487.

### METHODOLOGY:

- The current year estimate is calculated using projected FY 1999-00 expenditures as reported by each grantee to the Office of Community Relations.
- The FY 2000-01 estimate is calculated by subtracting projected FY 1999-00 grant expenditures from the remaining grant balance (\$7,100,487 - \$4,463,864 = \$2,636,623).

### FUNDING:

Title XX is a federal block grant that does not require a state or county match.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

## Enterprise Community Grants

### REASON FOR YEAR-TO-YEAR CHANGE:

The budget year estimate reflects the remaining grant balance after current year expenditures.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$4,464	\$2,637
Federal	4,464	2,637
State	0	0
County	0	0
Reimbursements	0	0

## Community Care Licensing - Foster Family Homes

### DESCRIPTION:

This premise reflects the costs of providing basic funding to 43 counties for foster family home (FFH) program licensing services. FFH programs in the remaining 15 counties are licensed by the California Department of Social Services' Community Care Licensing Program District Offices. The California Community Care Facilities Act authorizes participating counties to provide FFH licensing services.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500-1519.
- The workload standard used to determine full-time equivalents (FTEs) is 90 cases per worker.
- The supervisor to worker ratio used to determine FTEs is 6.35:1.
- The cost-of-doing-business (CODB) increase is 3.93 percent.

### METHODOLOGY:

The estimate was developed by determining the number of FTEs based on the Fiscal Year (FY) 2000-01 projected caseload of 8,399.

This caseload was divided by the workload standard of 90 cases per worker to derive the number of nonsupervisory FTEs (8,399 cases ÷ 90 cases per worker). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to determine the total number of FTEs ((93.32 FTEs ÷ 6.35 supervisor ratio) + 93.32 FTEs = 108.02 FTEs).

The average statewide unit cost of \$101,103 was calculated by dividing the actual total expenditures for FY 1998-99 by the actual average FTEs.

The FY 2000-01 FFH Program estimate was calculated by multiplying the unit cost by a 3.93 percent CODB and then by the total FTEs ((\$101,103 unit cost x 1.0393 CODB) x (108.02 FTEs) = \$11,350,148).

The total estimate was derived by adding the recruitment only allocation (plus the 3.93 percent CODB) to the FFH Program estimate (\$11,350,148 + \$883,763). The recruitment only funds are for counties that do not participate in the licensing program. The allocation was developed by using the counties' average number of cases receiving Family Reunification and Permanent Placement services and the number of children under 18 years of age (based on the 1996 United States census).

The funding for FY 1999-00 was held at the appropriation level.

### FUNDING:

Based on FY 1998-99 actual expenditure data, the sharing ratio is 41 percent federal Title IV-E and 59 percent State General Fund.

## Community Care Licensing - Foster Family Homes

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is a 6.2 percent decrease in projected caseload for FY 2000-01.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
Total	\$12,738	\$12,234
Federal	5,398	5,053
State	7,340	7,181
County	0	0
Reimbursements	0	0

## Community Care Licensing - Family Child Care Homes

### DESCRIPTION:

This premise reflects the costs of providing basic funding to 10 counties for family child care home (FCCH) program licensing services. FCCH programs in the remaining 48 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act authorizes participating counties to provide FCCH licensing services.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500-1519.
- The workload standard used to determine full-time equivalents (FTEs) is 303 cases per worker.
- The supervisor to worker ratio used to determine FTEs is 6.35:1.
- The cost-of-doing-business (CODB) increase is 3.93 percent.

### METHODOLOGY:

- The estimate was developed by determining the number of FTEs based on the Fiscal Year (FY) 2000-01 projected caseload of 5,184. This caseload was divided by the workload standard of 303 cases per worker to determine the number of nonsupervisory FTEs ( $5,184 \text{ caseload} \div 303 \text{ cases per worker}$ ). The FTEs were then expanded to include supervisors at a ratio of 6.35:1 to derive the total number of FTEs ( $[17.11 \text{ FTEs} \div 6.35 \text{ supervisor ratio}] + 17.11 \text{ FTEs} = 19.80 \text{ FTEs}$ ).
- The average statewide unit cost was derived by dividing the actual total expenditures for FY 1998-99 by the actual average FTEs (resulting in \$83,482).
- The FCCH Program estimate for FY 2000-01 was calculated by multiplying the unit cost by a 3.93 percent CODB, and then by the projected FTEs ( $[\$83,482 \text{ unit cost} \times 1.0393 \text{ CODB}] \times 19.80$ ).
- The funding for FY 1999-00 was held at the appropriation level.

### FUNDING:

In the 1999-00 Budget Act, the Legislature appropriated \$318,000 in reimbursement funds to this program in order for the licensing workers to conduct comprehensive annual site visits. In the budget year, the program is funded with 100 percent General Fund.

### CHANGE FROM PRIOR SUBVENTION:

The workload standard for a licensing worker was reduced from 358 to 303 based on the 1999-00 Budget Act, which provided funding to have the licensing workers conduct more comprehensive annual site visit to FCCHs.

### REASON FOR YEAR-TO-YEAR CHANGE:

The unit cost per licensing worker decreased by 3.5 percent, and the caseload declined by 2 percent.

## Community Care Licensing - Family Child Care Homes

### EXPENDITURES:

(in 000's)

	01	1999-00	2000-
		County Admin.	County Admin.
Total		\$1,849	\$1,718
Federal		0	0
State		1,531	1,718
County		0	0
Reimbursements		318	0

## Community Care Licensing – Child Care Caseload Growth

### DESCRIPTION:

This premise reflects the administrative costs of licensing additional family child care homes (FCCH) needed due to the passage of Assembly Bill 1542 (Chapter 270, Statutes of 1997), the California Work Opportunity and Responsibility to Kids Act (CalWORKs). One of the provisions of CalWORKs is a work participation requirement for all welfare recipients. For Fiscal Year (FY) 1999-00, it is projected that over 155,000 additional children will require child care due to the employment of CalWORKs recipients.

Currently, 10 of the 58 counties provide FCCH program licensing services. FCCH programs in the remaining 48 counties are licensed by the California Department of Social Services' (CDSS) Community Care Licensing (CCL) District Offices. The California Community Care Facilities Act (Health and Safety Code section 1500) authorizes participating counties to provide FCCH licensing services.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11200; and Health and Safety Code sections 1500 through 1519.
- Seventy-four percent of the children will utilize FCCHs.
- Fourteen percent of the FCCHs are licensed by the counties.
- In FY 1999-00, there will be a projected 96,251 FCCH vacancies. This figure is based on a linear regression made from the June 1998 CCL Management Information Report.
- CCL Advocacy and Policy Bureau reported a statewide vacancy rate of 25 percent in FCCHs.
- The ratio of large capacity FCCH (12 children average) to small capacity FCCH (6 children average) is 30:70. This ratio is based on the LIC 181 Statistical Report.
- The nonsupervisory workload standard used to determine full-time equivalents (FTEs) is 303 cases per worker.
- The projected statewide average unit cost for CCL-FCCHs for FY 2000-01 is \$86,763. (See the CCL-FCCH Premise description.)
- For FY 2000-01, the cost for this premise is being held at the current year funding level.

### METHODOLOGY:

- The estimate was calculated by multiplying the total number of additional children requiring care by the percentage utilizing FCCHs (155,096 children x 74 percent = 114,771 children). The existing vacancies (96,251) were then subtracted from the 114,771 children to arrive at the total number of additional children requiring child care (114,771 – 96,251 = 18,520 children). Approximately 2,600 of these children will use county licensed FCCHs.
- These additional children needing FCCHs are divided into large and small facilities based on the 30.70 ratio as reported in the LIC 181 ([2,593 children x 30 percent large FCCHs = 778] and [2,593 children x 70 percent small FCCHs = 1,815]).



## Community Care Licensing – Child Care Caseload Growth

### METHODOLOGY (continued):

- To determine the number of large FCCHs needed, 778 was divided by the average large FCCH capacity ( $778 \text{ children} \div 12 = 65 \text{ large FCCHs}$ ).
- To determine the number of small FCCHs needed, 1,815 was divided by the average small FCCH capacity ( $1,815 \text{ children} \div 6 = 302 \text{ small FCCHs}$ ).
- The number of these facilities were then added together and divided by the 75 percent occupancy rate to arrive at the total number of FCCHs needed ( $[65 \text{ large FCCHs} + 302 \text{ small FCCHs}] \div 75 \text{ percent occupancy rate} = 490 \text{ total FCCHs}$ ).
- The number of additional facilities needed was then divided by the CCL-FCCH nonsupervisory workload standard to determine FTEs ( $490 \text{ facilities} \div 303 \text{ cases/facilities per worker}$ ). The FTEs were then multiplied by the projected statewide average unit cost for a CCL-FCCH licensing worker for FY 2000-01 (\$86,763 unit cost per FTE).

### FUNDING:

The program is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

There is no change.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-
01		
	County Admin.	County Admin.
Total	\$151	\$151
Federal	0	0
State	151	151
County	0	0
Reimbursements	0	0

## Community Care Licensing – Family Child Care Homes Backlog Augmentation

### DESCRIPTION:

This premise reflects the costs associated with addressing the increase in Family Child Care Home (FCCH) license applications received by county contracted licensing offices. The increase, created by child care capacity building efforts, has caused a substantial backlog in the licensing offices' ability to process the applications.

### IMPLEMENTATION DATE:

This premise will implement on July 1, 2000.

### KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500-1519.
- The average time required for a county evaluator to process an FCCH license application is seven hours. Processing an application includes the following: pre-application, administration, training, public information, caseload management, travel, and miscellaneous tasks.
- The number of pending county licensed FCCH applications in March of 1999 was 442.
- The projected statewide average unit cost for CCL-FCCHs for FY 2000-01 is \$86,763. (See the CCL-FCCH Premise description.)

### METHODOLOGY:

The estimate was calculated by multiplying the average number of hours to process an application by the number of pending FCCH applications, as of March 1999 (7 hours x 442 applications = 3094). This figure was then divided by the average annual number of hours worked by a FCCH licensing full-time equivalent (FTE) to determine the number of staffing positions required to handle the backlog of applications ( $3094 \text{ hours} \div 1767 \text{ hours per FTE} = 1.75 \text{ FTEs}$ ). The number of FTEs was then multiplied by the projected statewide average unit cost per FTE to determine the level of funding needed ( $1.75 \text{ FTEs} \times \$86,763 \text{ average unit cost per FTE} = \$151,835$ ).

### FUNDING:

This premise is funded 100 percent with State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

## Community Care Licensing – Family Child Care Homes Backlog Augmentation

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$150
Federal	0	0
State	0	150
County	0	0
Reimbursements	0	0

## **Community Care Licensing – Family Child Care Homes Provider Training**

### **DESCRIPTION:**

This premise reflects the costs of continuing the *Family Child Care at Its Best* training project. This project provides child development training to licensed Family Child Care Home (FCCH) providers to enhance the quality and safety of licensed FCCHs. The training, through an interagency agreement with the University of California at Davis Extension Program, provides the latest information about child development practices and the importance of providing appropriate care to meet the developmental needs of young children.

### **IMPLEMENTATION DATE:**

This premise will implement on July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

- The project was initially funded with \$2.0 million of the \$8.0 million capacity building allocation that was provided to the Department in Fiscal Year (FY) 1998-99. This \$2.0 million was to fund the project for FY 1998-99 and FY 1999-00.

### **METHODOLOGY:**

The \$1.0 million reimbursement from the California Department of Education (CDE) Child Care Development Fund (CCDF) will be used to continue the funding of the training project in FY 2000-01.

### **FUNDING:**

This premise is funded as a reimbursement from the CDE CCDF.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This is a new premise.

## Community Care Licensing – Family Child Care Homes Provider Training

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$1,000
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	1,000

## Community Care Licensing – Court Cases

### DESCRIPTION:

This premise reflects the costs for attorney fees and settlements resulting from two lawsuits pertaining to the California Department of Social Services (CDSS), Community Care Licensing Division. The following cases have an impact in the current year.

### IMPLEMENTATION DATE:

Attorney fees and settlement amounts for these court cases will be paid in Fiscal Year (FY) 1999-00.

### KEY DATA/ASSUMPTIONS:

- The Booream v. County of Orange, et al. lawsuit involved the failure of CDSS to promulgate regulations for transitional shelter care facilities, and Orange County's care and placement decisions for children under the age of six. It is estimated that \$20,000 will be needed for attorney fees in the current year.
- The Mary McCuin v. Anderson, et al. lawsuit involved CDSS' procedures for using arrest information, and that this practice violated a person's right to due process and privacy. The plaintiff also sought financial redress for the damages caused to her by the CDSS' exclusion order and subsequent administrative action. It is estimated that \$35,000 will be needed for attorney fees along with \$30,000 in monetary damages in the current year.

### FUNDING:

The legal fees are 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

### REASON FOR YEAR-TO-YEAR CHANGE:

Costs associated with this premise are for FY 1999-00. There is no cost in the budget year for this item.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$85	\$0
Federal	0	0
State	85	0
County	0	0
Reimbursements	0	0

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## **Community Care Licensing – Child Care Center Safety Initiative**

### **DESCRIPTION:**

This premise reflects the costs to establish the Child Care Center Safety Initiative. The initiative would provide one-time funding of \$5.0 million funding to the California Department of Social Services in Fiscal Year (FY) 2000-01 to provide informational material and training to child care center staff and the parents of children who attend child care centers. The Department will use the initiative funding to contract with the Resource and Referral Network to do the publications. The Department will also use this funding to provide for the development of a training program to child care center staff. The goal of the proposal is to increase the security of child care facilities on site as well as the security of children while on their way to and from child care. The initiative would also provide for the development and distribution of educational and resource material to assist staff, parents, and children to work through the aftermath of trauma, stress, and grief associated with disasters.

### **IMPLEMENTATION DATE:**

This premise will implement on July 1, 2000.

### **KEY DATA/ASSUMPTIONS:**

The Child Care Center Safety Initiative will provide the following:

- Publication and distribution to all child care centers of a guide on emergency preparedness and resources to assist staff and children with the aftermath of trauma, stress, and grief associated with disasters; and,
- Training for 10,000 licensed child care providers on emergency preparedness and addressing the aftermath of trauma, stress, and grief associated with disasters.

### **FUNDING:**

This premise is funded with 100 percent GF.

### **CHANGE FROM PRIOR SUBVENTION:**

This is a new premise.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

This is a one-time funding in FY 2000-01.



## Community Care Licensing – Child Care Center Safety Initiative

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	County Admin.	County Admin.
Total	\$0	\$5,000
Federal	0	0
State	0	5,000
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures CDE Adult Education for CalWORKs Eligibles**

### **DESCRIPTION:**

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for adult education activities designed for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

Section 40.3(a) and (b) of Assembly Bill 1578 (Chapter 299, Statutes of 1997) appropriated \$25 million in State General Funds (GF) for adult education activities designed for current recipients of benefits under the CalWORKs Program. This legislation also specified that these education activities be limited to those designed to increase self-sufficiency, job training, and work. Furthermore, these activities are to be provided through classes that are not generally available to persons who are not members of an eligible CalWORKs family. Based on these expenditure requirements, these funds would meet the federal TANF Program MOE requirements.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- It is assumed the CDE will claim \$36.8 million in the current year, and \$36.8 million in the budget year in MOE eligible expenditures.
- These funds are required to be expended for educational activities for CalWORKs eligible recipients only. In addition, these activities shall be provided in classes that are not normally available to the general public.

### **METHODOLOGY:**

For both Fiscal Years 1999-00 and 2000-01, the estimate reflects the anticipated MOE eligible expenditures.

### **FUNDING:**

This program is funded with 100 percent GF.

## Other Departments' TANF MOE Eligible Expenditures CDE Adult Education for CalWORKs Eligibles

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$36,800	\$36,800
Federal	0	0
State	36,800	36,800
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles**

### **DESCRIPTION:**

This premise reflects the state maintenance of effort (MOE) expenditures made by the California Community Colleges for the purpose of assisting students who are Temporary Assistance for Needy Families (TANF) Program recipients, including those transitioning from TANF, to achieve long-term self-sufficiency through coordinated student services offered at community colleges.

As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids (CalWORKs) Program TANF eligible families.

Assembly Bill (AB) 107 (Chapter 282, Statutes of 1997) appropriated \$65 million in General Funds (GF) for the purpose of serving TANF Program recipients, including those transitioning from TANF. These services include work-study, other educational-related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. Current TANF recipients may utilize these services until their educational objectives are met, but for no longer than three years. Based on these expenditure requirements, these funds would meet the federal requirements for counting towards the TANF MOE.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- The current year (CY) appropriation funding level is \$65 million.
- It is assumed the community colleges will claim \$54 million in the CY, and \$54 million in the budget year in MOE eligible expenditures.
- A minimum of \$15 million has to be spent for child care for TANF recipients.
- These funds are required to be expended for educational-related services CalWORKs Program eligible recipients only.

### **METHODOLOGY:**

For both Fiscal Years 1999-00 and 2000-01, the estimate reflects the anticipated MOE eligible expenditures.

## Other Departments' TANF MOE Eligible Expenditures Community Colleges – Expansion of Services to TANF Eligibles

### FUNDING:

This program is funded 100 percent with GF.

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$54,000	\$54,000
Federal	0	0
State	54,000	54,000
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures Employment Training Panel Fund**

### **DESCRIPTION:**

This premise reflects the state maintenance of effort (MOE) expenditures made by the State Employment Development Department (EDD) for adult education activities designed for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) added section 1611.5 to the Unemployment Insurance Code which authorizes the Legislature to appropriate annually up to \$20.0 million in Employment Training Panel (ETP) funds for training programs designed for workers who are current or recent recipients of benefits under the CalWORKs Program.

### **IMPLEMENTATION DATE:**

This premise implemented on January 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- The Legislature can appropriate up to \$20.0 million in ETP funds each fiscal year for training programs for current or recent welfare recipients.
- It is assumed the ETP will claim \$103,000 in the current year and \$5 million in the budget year in MOE eligible expenditures.
- The contracts for the training programs require the contractors to have a certain number of CalWORKs recipients or former recipients enrolled, and they must meet a set success rate in order to retain the funds for the program.
- It is assumed the success rate will grow in the budget year.

### **METHODOLOGY:**

The estimate reflects the anticipated MOE eligible expenditures.

### **FUNDING:**

This program is funded 100 percent with State General Funds.

## Other Departments' TANF MOE Eligible Expenditures Employment Training Panel Fund

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to expend state MOE countable funds.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$103	\$5,000
Federal	0	0
State	103	5,000
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures DHS – Teenage Pregnancy Prevention Program**

### **DESCRIPTION:**

This premise reflects the state maintenance of effort (MOE) expenditures made by the Department of Health Services (DHS) for the Male Involvement Program and the Teenage Pregnancy Prevention Media Campaign. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children (AFDC) entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

The goals of this DHS program are to provide information, education and counseling; promote sexual abstinence among teens; and enhance male involvement and fatherhood responsibility, including the legal, social, health and economic consequences. The media campaign component aims to heighten public commitment to implementing effective solutions to the problems of teenage pregnancy and increase public participation in mentoring programs throughout California. The program's goals are similar to those of the TANF Program in that they both seek to reduce the incidence of out-of-wedlock births and promote responsible parenting for at-risk adolescents.

### **IMPLEMENTATION DATE:**

Although this program was implemented in Fiscal Year (FY) 1995-96, counting these eligible expenditures against the TANF MOE requirement began July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- Since the program is open to all at-risk adolescents in the community, the Department is only counting the portion of annual funding that represents the ratio of welfare recipients to the State's total population.
- Based on data from the October 1996 AFDC Characteristics Survey, approximately 7.7 percent of the State's total population is on welfare.
- The DHS claimed \$807,000 in FY 1998-99. It is assumed DHS will claim that amount in the current year and budget year.



## Other Departments' TANF MOE Eligible Expenditures DHS – Teenage Pregnancy Prevention Program

### METHODOLOGY:

For both FYs 1999-00 and 2000-01, the estimate reflects the anticipated MOE eligible expenditures.

### FUNDING:

This program is funded 100 percent with State General Funds.

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$807	\$807
Federal	0	0
State	807	807
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures TANF Pass-Through Match**

### **DESCRIPTION:**

This premise represent the State General Fund (GF) match required of other state departments that receive Temporary Assistance for Needy Families (TANF) Program funds through interagency agreements (I/As) with the California Department of Social Services (CDSS). As a result of Public Law 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the maintenance of effort (MOE). The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids Program TANF eligible families.

These TANF and state matching funds are used to provide vocational education and other employment services to TANF recipients. Currently, CDSS has I/As with the California Community Colleges (CCC), the State Department of Education (SDE), and the Employment Development Department (EDD).

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1998.

### **KEY DATA/ASSUMPTIONS:**

- The amount claimed for the three I/As in Fiscal Year 1998-99 was \$21,235,000. It is assumed this will be the amount of the current year and budget year I/As.
- The I/As require that all TANF funds be matched as part of the State's MOE requirement under TANF.

### **METHODOLOGY:**

The estimate reflects match amounts totaling \$21,235,000 required in the I/As with CCC, SDE, and EDD.

### **FUNDING:**

This program is funded with 100 percent GF.

### **CHANGE FROM PRIOR SUBVENTION:**

This estimate has been updated for assumptions relative to the ability to verify state MOE to the federal government.

## Other Departments' TANF MOE Eligible Expenditures TANF Pass-Through Match

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$21,235	\$21,235
Federal	0	0
State	21,235	21,235
County	0	0
Reimbursements	0	0

## Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the California Department of Education (CDE) for child care programs that provide services for California Work Opportunity and Responsibility to Kids (CalWORKs)/Temporary Assistance for Needy Children (TANF) Program. As a result of Public Law (P.L.) 104-193, the federal welfare reform legislation establishing the TANF Program, the Aid for Families with Dependent Children Program was eliminated and was replaced with the TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year (FFY) 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

Prior to the implementation of federal welfare reform, California received federal funding for child care through Title IV-A of the Social Security Act and the Child Care and Development block grant (CCDBG). Title IV-A funds were used to provide child care for families on welfare, those transitioning off welfare, and those at risk of going on welfare. CCDBG funds were used to provide child care for the working poor. As a part of federal welfare reform under P.L. 104-193, these two federal child care funding streams were merged into the new CCDBG. In order for states to receive this portion of the CCDBG, they are required to spend a level of funding equal to their FFY 1994 nonfederal share of child care expenditures under the old Title IV-A Program (\$85.6 million in California). Federal regulations will allow state expenditures for child care to satisfy both the CCDBG MOE and TANF Program MOE, provided that these expenditures meet the MOE requirements for both grants. In addition, if a state has additional child care expenditures, i.e., expenditures that have not been used towards meeting the CCDBG MOE requirement, or to receive federal matching funds, these expenditures may count towards the state's TANF MOE, provided that these expenditures, for families, meet the state's definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in proposed federal regulations, must also be met.

### IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

### KEY DATA/ASSUMPTIONS:

- Federal regulations allow state expenditures for child care to satisfy both the CCDBG MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants.
- All TANF-eligible families meet CCDBG eligibility requirements and would, therefore, meet both the CCDBG and TANF MOE expenditure requirements.
- The total "double" countable expenditures cannot exceed the MOE level for the CCDBG (\$85,600,000).
- Based on prior year expenditures, it is assumed CDE will increase the countable expenditures by four percent each year, resulting in \$278,720,000 in Fiscal Year (FY) 1999-00, and \$286,445,000 in FY 2000-01.

## Other Departments' TANF MOE Eligible Expenditures CDE Child Care Programs

### METHODOLOGY:

The sum of all the State MOE eligible expenditures made by CDE for child care programs is reflected in this premise.

### FUNDING:

This program is funded with 100 percent GF.

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated for assumptions relative to the verification of state MOE to the federal government.

### REASON FOR YEAR-TO-YEAR CHANGE:

FY 2000-01 reflects increased MOE countable expenditures in the child care program.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$278,720	\$286,445
Federal	0	0
State	278,720	286,445
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures CDE Pre-Kindergarten Initiative**

### **DESCRIPTION:**

This premise reflects the state maintenance of effort (MOE) expenditures made by the Office of Child Development and Education (OCDE) to expand the state Preschool Program to serve all four-year-olds in families under the federal poverty level who are not currently being served in other California Department of Education (CDE) child care and development programs. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count all state and local expenditures spent on California Work Opportunity and Responsibility to Kids/TANF eligible families towards the MOE.

### **IMPLEMENTATION DATE:**

This premise implemented on July 1, 1997.

### **KEY DATA/ASSUMPTIONS:**

- It is assumed that 20 percent of the families served by this program will be eligible for or are currently receiving TANF benefits. Accordingly, 20 percent of the General Fund (GF) Proposition 98 funds are countable towards the TANF MOE requirement.
- No MOE expenditures have been claimed for this program thus far, and there is no data to support eligible expenditures for this current year or budget year.

### **METHODOLOGY:**

There are no expenditures.

### **FUNDING:**

This program is funded with 100 percent GF.

### **CHANGE FROM PRIOR SUBVENTION:**

It was assumed the program was in place and would begin tracking expenditures in Fiscal Year 1999-00. \$2.5 million was counted in MOE eligible expenditures.

### **REASON FOR YEAR-TO-YEAR CHANGE:**

There is no change.

## Other Departments' TANF MOE Eligible Expenditures CDE Pre-Kindergarten Initiative

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

## Other Departments' TANF MOE Eligible Expenditures ADP Augmentation for Perinatal Programs

### DESCRIPTION:

This premise reflects the state maintenance of effort (MOE) expenditures made by the California Department of Alcohol and Drug Programs (ADP) for perinatal programs that provide residential treatment services for women who suffer from alcohol and drug use problems and their families. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children Program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as a MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids Program/TANF eligible families.

### IMPLEMENTATION DATE:

This premise was implemented on July 1, 1998.

### KEY DATA/ASSUMPTIONS:

Final TANF regulations have clarified that these expenditures are not MOE countable.

### CHANGE FROM PRIOR SUBVENTION:

This estimate has been updated based on final TANF regulations.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0



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## Proposition 10 – California Children and Families First Trust Fund

### DESCRIPTION:

Proposition 10 increases the excise tax on tobacco products. As a result of the increased taxes, funding is being provided for the California Children and Families First Trust Fund (CCFF). The CCFF will increase the availability and access to child care facilities, provide resource and referral services, and provide financial and other assistance to ensure appropriate child care for low-income households.

### IMPLEMENTATION DATE:

This premise implements January 1, 2000.

### KEY DATA/ASSUMPTIONS:

There is no data available to support eligible expenditures for the current year or budget year.

### METHODOLOGY:

There are no expenditures.

### FUNDING:

The funds are 100 percent maintenance of effort (MOE) eligible.

### CHANGE FROM PRIOR SUBVENTION:

The prior subvention reflected \$15,000,000 in MOE countable expenditures when it was assumed the CCFF would have eligible expenditures.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
Total	\$0	\$0
Federal	0	0
State	0	0
County	0	0
Reimbursements	0	0

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## Department of Corrections Women Programs

### DESCRIPTION:

This premise reflects the State maintenance of effort (MOE) expenditures made by the Department of Corrections for two women programs: 1) The Women Parolee Program which provides residential treatment for women offenders and their children after release from prison; and 2) The Family Foundation Program, which is a program for women who go into 12-month residential treatment, then a 12-month intensive aftercare program rather than going into prison. This program is for women who are pregnant or have children under six years of age. As a result of Public Law 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as the MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994 (\$2.9 billion). The State may count toward the MOE all state and local expenditures spent on California Work Opportunity and Responsibility to Kids/TANF eligible families.

### IMPLEMENTATION DATE:

The Women Parolee Program and the Family Foundation Program were implemented in July 1999.

### KEY DATA/ASSUMPTIONS:

- It is assumed \$8,736,000 will be spent in Fiscal Years (FY) 1999-00 and 2000-01 on MOE countable expenditures in the Women Parolee Program and the Family Foundation Program.

### METHODOLOGY:

For FYs 1999-00 and 2000-01, the estimate reflects the anticipated MOE eligible expenditures.

### FUNDING:

This program is funded 100 percent with General Fund.

### CHANGE FROM PRIOR SUBVENTION:

The Mother and Infant Program is no longer included in this premise. The Mother and Infant Program began in FY 1994-95, and there has been little impact since that time. Therefore, the expenditures for the Mother and Infant Program are not MOE eligible.

### REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

## Department of Corrections Women Programs

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$8,736	\$8,736
Federal	0	0
State	8,736	8,736
County	0	0
Reimbursements	0	0

## **Other Departments' TANF MOE Eligible Expenditures \$50 State Disregard Payment to Families**

### **DESCRIPTION:**

This premise reflects the State maintenance of effort (MOE) expenditures made by the Department of Child Support Services (DCSS) for the \$50 State Disregard Payment to Families for current recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) Program. As a result of Public Law (P.L.) 104-193, the federal welfare reform legislation establishing the Temporary Assistance for Needy Children (TANF) Program, the Aid for Families with Dependent Children entitlement program was eliminated and was replaced with a TANF block grant. As a requirement to receive the TANF block grant funding, the State must ensure that each year it maintains a certain level of expenditures referred to as MOE. The amount of the MOE is based on a historical level of nonfederal expenditures in a base year, which for California is Federal Fiscal Year 1994. The State may count toward the MOE all state and local expenditures spent on CalWORKs/TANF eligible families.

In addition to the regular aid grant, custodial parents also receive the first \$50 of the current month's child support payment collected from the absent parent. Forwarding the disregard portion of the collection to the family instead of retaining it to abate government's cost of the aid grant results in cost increases (lost collection revenues).

Under the provision of P.L. 104-193 the federal government discontinued federal financial participation in the disregard payment to the family as of October 1, 1996. Therefore, this premise reflects the cost for the State to fund the entire \$50 disregard payment to the custodial parent.

### **IMPLEMENTATION DATE:**

This premise is currently located in the TANF table under "Additional TANF/MOE Expenditures in CDSS" for Fiscal Year (FY) 1999-00. In FY 2000-01, however, the creation of the DCSS has caused this premise to be reflected in the "Other Departments' TANF/MOE Eligible Expenditures" section.

This program was originally implemented in FY 1984-85.

### **KEY DATA/ASSUMPTIONS:**

- Authorizing statute: Welfare and Institutions Code section 11475.3 and Family Code 17504.
- The child support payment data are based on the counties' monthly CS 800 Reports, Summary Reports of Child and Spousal Support Payments, beginning with FY 1989-90 through FY 1998-99.
- This premise will be claimed as "Other Departments' TANF MOE Eligible Expenditures" effective in the budget year, once the DCSS has been created.

### **METHODOLOGY:**

- The cost of the current \$50 disregard is reported monthly on the CS-800, Summary Report of Child and Spousal Support Payments. The disregard is paid when the child support collection is distributed.
- The forecast was generated by utilizing the latest available 36 months of data from the CS 800 Reports, from July 1996 through June 1999. This produced an annual estimated declining trend rate of 6.1 percent for FY 1999-00 over FY 1998-99 actual collections. The FY 2000-01 estimated collections are 9.2 percent below the FY 1999-00 estimate.

## Other Departments' TANF MOE Eligible Expenditures \$50 State Disregard Payment to Families

### FUNDING:

The costs associated with the \$50 disregard are 100 percent State General Fund.

### CHANGE FROM PRIOR SUBVENTION:

The estimate was updated for the most recent actual disregard payments from the CS-800, Summary Report of Child and Spousal Support Payments.

### REASON FOR YEAR-TO-YEAR CHANGE:

The \$50 disregard is reflected as "Other Departments' TANF MOE Eligible Expenditures" beginning in FY 2000-01, with the creation of the DCSS.

### EXPENDITURES:

(in 000's)

	1999-00	2000-01
	Grant	Grant
Total	\$0	\$28,954
Federal	0	0
State	0	28,954
County	0	0
Reimbursements	0	0